CITY OF ALLEN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2019

CITY OF ALLEN, TEXAS

CITY OF ALLEN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ALLEN

FISCAL YEAR ENDED
SEPTEMBER 30, 2019

AS PREPARED BY THE
FINANCE DEPARTMENT

CITY OF ALLEN

CITY OF ALLEN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019
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CITY OF ALLEN

INTRODUCTORY SECTION

CITY OF ALLEN

CITY OF ALLEN

March 19, 2020

Honorable Mayor and City Council, City Manager,
Citizens of Allen:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Allen, Texas (the City), for the fiscal year ended September 30, 2019.

This report is published to provide the City Council, our citizens, City staff, and other readers with detailed information concerning the financial position and activities of the City. Management has prepared the report and is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Also included in this report is an unmodified ("clean") opinion on the City of Allen's financial statements for the year ended September 30, 2019, issued by Weaver and Tidwell, L.L.P. The independent auditors' report is located at the beginning of the financial section of the CAFR.

REPORTING ENTITY

This report includes all funds of the City including its component units. Component units are legally separate entities for which the City is financially accountable but are not part of the City's operations. The Allen Economic Development Corporation (AEDC) and Allen Community Development Corporation (ACDC) are included in the financial statements as discretely presented component units.

CITY PROFILE

The City of Allen is located in Collin County, which is the 21st fastest-growing county in the nation. Collin County's population reached 1,004,108 in 2018, and is expected to reach1,150,943 in 2023. Located 25 miles north of downtown Dallas on US 75, Allen encompasses approximately 27 square miles. The George Bush Tollway and Sam Rayburn Tollway (Hwy 121) provide direct access into the Metroplex and access to Love Field (27 miles) and Dallas Ft Worth International Airport (31 miles). The City of Allen sits in a prime location for restaurants, shopping centers and other retail venues. The quality of the City's community attracts well-educated residents with a high level of spending power and disposable income. Allen's population reached 107,151 residents in 2019, more than doubling from just over 45,000 in the year 2000 and is projected to reach 117,606 by 2023.

Incorporated in 1953, Allen is a home rule charter city. The Charter can be amended only by a vote of the people and provides for seven non-partisan Council members, including the Mayor, to be elected at-large to staggered terms of three years. The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as adopting the annual budget which serves as the foundation for financial planning and control. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The Council also appoints the Municipal Judge and various advisory boards.

City service departments provide a full range of services including police and fire protection emergency ambulance service, municipal courts, building code enforcement, library, parks and recreation, tourism, water and sewer services, sanitation/solid waste services, traffic engineering, and construction and maintenance of streets and infrastructure. The City currently supports a staff of 839.46 full time equivalent employees.

ECONOMIC CONDITIONS AND OUTLOOK

Regional Economy

The Dallas-Fort Worth area has an incredibly diversified economy, an extremely low unemployment rate, a growing labor force, low cost of living, affordable real estate, and a superior business climate. The City of Allen's unemployment rate as of September 2019 was 3.0%, and the Collin County unemployment rate was 3.2% -- both of which were below the national rate of 3.7%. Allen has increasingly become a home for highly educated, high-income professionals, yet maintains a welcoming spirit for people and families from all stations of life. The median household income in Allen was $109,978 in 2019, which is 75% greater than the median income in Dallas/Fort Worth. Over 56% of the City's residents have earned a bachelor's degree or higher, twice the US average. The City has seen the job market increase by 3.3% over the last year. Future job growth over the next ten years is predicted to be 45.0%, which is higher than the US average of 33.5%.

Allen's Position in the Region

Along with being situated in an ideal location just 12 miles north of Dallas on US 75, Allen's appealing demographics have spurred along record-breaking growth. The population of 107,151 is expanding with an estimated 2.36% annual growth rate. With a median age of 35.5, 56% of residents having bachelor's degrees or higher, and a median household earnings of $109,978, Allen is a community that offers exceptional housing, award-winning schools, steady job growth, and dynamic business climate all of which are strong factors in the success of the City's economy.

Allen is a also vibrant city with amenities and a pride, and its pro-business environment and superior quality of life come together to empower Allen's residents and businesses to achieve higher levels of success. This unique combination has received national recognition, including MONEY Magazine's #2 Best Place to Launch a Career (2018) and CNBC's Best Suburb for Millennials in Texas (2018).

Long Range Financial Planning

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in its fiscal health. The City has a five-year financial plan and a seven-year capital improvement plan where departments reevaluate project priorities, review funding sources, and identify new projects as needed. Using this plan allows the City to plan the timing of projects associated with debt issuance and the effects on the tax rate. Standard and Poor's most recent credit rating report dated July 5th, 2018 stated, "very strong management, with strong financial policies and practices under our Financial Management Assessment methodology."

The City continues to maintain the highest 'AAA' rating from Standard and Poor's and during 2016 received a rating increase from Aa1 to Aaa from Moody's on its general obligation, certificate of obligation bonds. This increase makes the City of Allen just one of seven Cities in the State of Texas to have both a AAA rating with both S&P and Moody's. The Water and Sewer Revenue Bonds are rated 'AAA' from Standard and Poor's and Aa2 from Moody's. S&P's July 2018 rating report supporting the 'AAA' rating stated the following credit factors:

- Very strong economy
- High effective buying income, strong market values
- Very strong budgetary flexibility and very strong year end reserves and liquidity
- Very strong management and strong financial management practices that are sustainable
- Faster than average debt amortization and moderate overlapping debt, while the debt liabilities profile is adequate

During fiscal year 2016, the City began a CIP Bond Program that totaled $93 million and estimated to be completed over seven years. During fiscal years 2018 and 2017, respectively, the City issued $11,845,000, $8,355,000, related to the Bond Program. In fiscal year 2019, the City issued $8,630,000 of General Obligation Improvement and Refunding Bonds to make improvements to existing City facilities, streets, drainage, park and recreational facilities, public art projects, and public safety facilities; and to refund certain outstanding obligations of the City.

Additionally, during fiscal year 2019, the City issued $3,845,000 in Water and Sewer System Revenue Bonds. The purpose of the bonds is to fund water and sewer line replacements in older neighborhoods within the City. This is a change in philosophy as the City had been funding all Water and Sewer Fund capital improvements with operating funds and has now adopted a hybrid approach that will slow customer rate increases as wholesale rates from NTMWD increase.

Fiscal Year 2019 Highlights

During fiscal year 2019, the City accomplished many initiatives to enhance livability, improve personal experience, invest in the future, and celebrate the successes. From quality neighborhoods to park development, community safety, and environmental initiatives, it's no surprise that people move here to experience the quality of life the citizens of Allen enjoy.

As the City's population continued to grow, the need for new housing continued as well, with the Community Development Department issuing over four-hundred and forty building permits. The City welcomed a variety of new businesses, including Pinstack, Cyrus One Data Center Phase II, Starcreek Village, and the Techcenter on Greenville III. Facilitated several new residential developments including The Village at Twin Creeks – Phase IV, Huntington Villas, Vera at Watters, Dolce Living, Ridgeview Villas, St. Andews Park, and Larkspur. The City also administered Community Development Block Grant funds which went toward the rehabilitation of twenty-one homes within Allen's older neighborhoods.

The City has an overall crime rate of 13 per 1,000 residents, making the crime rate here near the average for all cities and towns of all sizes in the United States. However, compared to other communities of similar population size, the City has a crime rate that is noticeably lower than the average. This means that for comparably sized cities across the United States, the City is actually safer than most according to *NeighborhoodScout's* exclusive analysis of FBI crime data. *NeighborhoodScout's* research shows that Allen's violent crime rate is 1 per one thousand inhabitants, which is about average for all communities in the United States, across all population sizes.

The Fire Department continues to improve their service to the community through the redesign of the Central Fire Station and Fire Administration facility. The redesign will expand response capacity and allow for efficient administration of the fire department. The Fire Department, re-wrote medical treatment protocols to include the latest in-patient care, updated fire apparatus to meet the demands of a growing community, expanded professional development programs for staff, and added automatic patient cot loading systems to six ambulances. Additionally, staff applied for and received $312,683 from the Texas Ambulance Supplemental Payment Program. Lastly, the department increased inter-operability with neighboring fire departments through joint training and resource sharing.

The City's environmental conservation and green initiatives continued to grow and develop with the implementation of new energy management systems at City Hall, another year of recycling at City facilities with an increased recycling presence at City parks, another year of chemical redistribution at the Chemical Reuse Center, coordination of special events and public education programs related to protecting and conserving natural resources, and winning multiple awards from regional, state and national organizations dedicated to resource conservation. The City has continually been recognized for its efforts to expand in this area, culminating in the winning of the National Recreation and Park Association's Gold Medal Award and being recognized by Keep Texas Beautiful as a Gold Star Affiliate and Governor's Community Achievement Award - Sustained Excellence Award Winner.

The Allen Public Library (the "Library") continues to provide a vibrant, welcoming environment for Allen citizens with an emphasis on exemplary customer service and support for lifelong learning, literacy, access to information, and bringing the community closer together. To encourage literacy and lifelong learning, the Library offers programs for children and teens on art, science (including robotics and coding), animals, and reading. Adults find opportunities to feed their literary, cultural, historical, musical, and travel interests augmented by hands-on activities for crafts and food. During the hot Texas summers, visitors of all ages participate in the cool Summer Reading Clubs, while reading, learning, and earning prizes. The Library's digital collection, both e-books and e-audiobooks, continued to grow with the cloud Library service, notably through a consortium with other Texas libraries, to offer more than 123,000 items. Physical books and DVD's remained more popular than ever, especially among children and families. During fiscal 2019, the Library was recognized by the Texas Municipal Library Directors Association for the fifth consecutive year for Achievement of Library Excellence. The Library also provided citizens with access to information outside the Library through databases, Interlibrary Loans, and expanded options for digital books and audiobooks from *cloudLibrary*, with shared resources from twenty-two other Texas public libraries and digital magazines from RB Digital.

During fiscal 2019, the CDC oversaw the expenditure of Type B half-cent sales tax revenue on projects that include: rail development and enhancement; Allen USA Celebration; Demand Response – paratransit transportation− Trail Marker Program; Special Services equipment; 3rd party consultant for TRC process; Irrigation central control upgrade; Allen Event Center – lighting control system; Allen Event Center – electronic marquee; and various parking lot refurbishments..

The Allen Economic Development Corporation (AEDC) worked to bring a variety of companies and related development to Allen. The AEDC facilitated the completion of *One Bethany East* at Watters Creek, the 125,000 SF Class A office building that opened in March 2018. *One Bethany East* saw numerous tenants move into the newly opened building, which include Boss Fight Entertainment, Verado Energy, Cope Equities, and AEDC's administrative office. The AEDC recruited Credit Union of Texas to relocate their corporate headquarters to One Bethany East, which brought in over 200 new jobs. All of this activity boosted the occupancy of the newly opened building to over 70%. Numerous companies opened including: WatchGuard Video moving into their new building, a $46 million headquarters facility in June; NETSCOUT Systems, a cyber-security company, which brought 540 high paying jobs to a new $54 million headquarters building in One Bethany at Watters Creek opened in August; and Yeager Office Suites, who opened their first building in Allen in August. Compass Datacenters constructed their second phase of the $300 million data center campus for lead tenant Jack Henry. CyrusOne broke ground on the first phase of their $1billion data center that opened in October 2018, and Collin County Technical Campus broke ground in September, in partnership with the AEDC. The AEDC partnered on the planning and announcement of Monarch City, a 270-acre mixed-use development at the corner of US 75 & SH121 and lead a coalition of landowners to block construction of a large electrical transmission line along SH 121. Construction of the electrical transmission line would have negatively impacted future development of corporate campuses along the corridor. These projects not only increased the City's property tax base but also positively affected the City's economy by bringing over 1,500 jobs to Allen.

One of the City's major draws, the Allen Event Center, consists of the main arena and support facilities, the Allen Community Ice Rink, the south parking structure, and shared ownership of the north parking structure with The Village at Allen. The Allen Event Center hosts a wide variety of entertaining shows and events- Disney on Ice, Kane brown, Dude perfect, Esports, Professional Bull Riding, Cultural events, and collegiate sports as well as multiple graduations, and several trade shows such as Home & Garden Shows, Bridal Shows, Gun Shows, and Job Fairs among others. These functions are estimated to have an economic impact of over $12,000,000 annually. The Allen Event Center is also the home to professional sports; the Allen American Hockey Club (ECHL), and the Dallas Sidekicks Soccer Club (MASL). The Allen Event Center will celebrate its 10th anniversary in November 2019.

With all this happening within Allen's borders, it's clear that the city is working hard to provide every resident and visitor with great experiences, services and safety.

Relevant Financial Policies

The City's financial policies and practices set forth the basic framework for the fiscal management of the City. The policies and procedures were developed within the parameters established by applicable provisions of the Texas Local Government Code, the City of Allen charter, and internal management laws, and are reviewed on a periodic basis. The Investment Policy is also approved annually by the Council. All other policies (accounting, budgeting, procurement, capital improvements, asset management, and risk management) are internal policies approved by the Finance department and City Manager. Recently, the Training/Travel Policy was updated to reflect changes in city processes and provide added flexibility for travelers, as well as provide greater ease for Finance staff during the reconciliation process. On a quarterly basis, the Finance Department prepares financial and investment reports that are presented to the City Council.

Internal Control

Management of the City, through its Finance Department, is responsible for the implementation, maintenance, and monitoring of a set of comprehensive internal controls. The goal of the City's system of internal control is to limit opportunity for theft, fraud, or abuse by ensuring adequate separation of duties and systematic monitoring with a positive control environment set at the top of the organization. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

AWARDS AND ACKNOWLEDGEMENTS

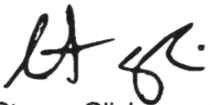
Awards -- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Allen for its CAFR for the fiscal year ended September 30, 2018. Fiscal year 2018 was the twentieth consecutive year for which the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements – We would like to express our sincere gratitude to City's personnel who contributed to the production of this report, especially the accounting division. Appreciation is expressed to representatives of Weaver, LLP, for their invaluable assistance in producing the final document, and to the City Manager's office and the members of the City Council, whose leadership and commitment are vital to the health and vitality of the City of Allen.

Respectfully submitted,

Eric Cannon, CPA
Chief Financial Officer



Steven Glickman, CPA
Assistant Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Allen

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

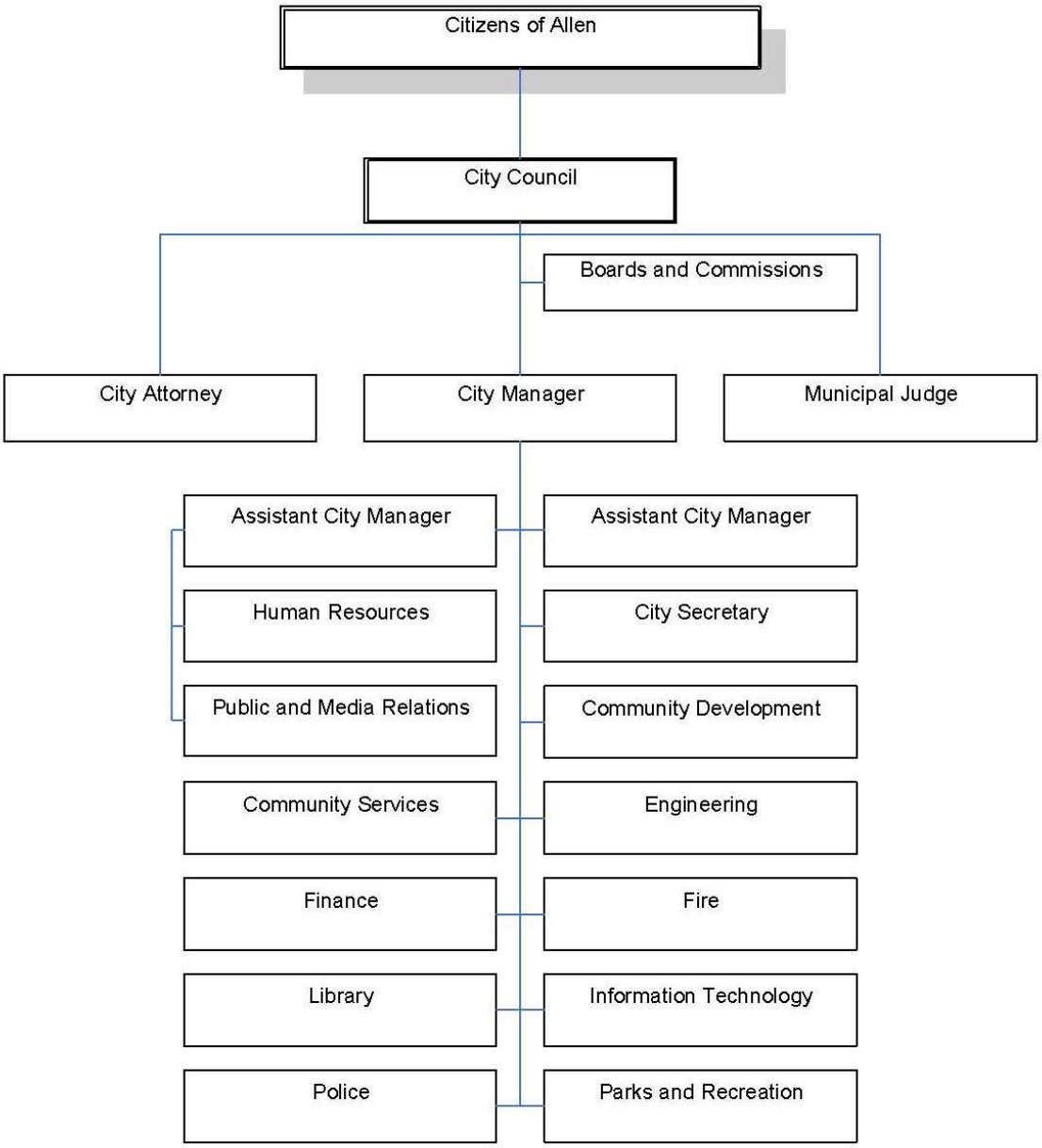
September 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY OF ALLEN

ORGANIZATIONAL CHART



CITY OF ALLEN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

CITY OF ALLEN

Councilmembers

Mayor	Stephen Terrell
Mayor Pro Tem, Place No. 5	Gary L. Caplinger
Councilmember, Place No. 1	Kurt Kizer
Councilmember, Place No. 2	Carl Clemencich
Councilmember, Place No. 3	Lauren Doherty
Councilmember, Place No. 4	Chris Schulmeister
Councilmember, Place No. 6	Baine Brooks

Management Staff

City Manager	Eric Ellwanger
Chief Financial Officer	Eric Cannon
Assistant Chief Financial Officer	Steven Glickman
Controller	Martin Clarke

FINANCIAL SECTION

CITY OF ALLEN

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Allen, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Allen, Texas (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Honorable Mayor and Members of City Council
City of Allen, Texas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 19, 2020

CITY OF ALLEN

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF ALLEN

As management of the City of Allen, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2019, by $610,643,541. Of this amount, $60,479,038 represented the unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $28,994,736. The increase is primarily a result of an increase in revenues from property taxes, charges for services, investment earnings, and developer contributions in both governmental and business-type activities.
- The City's governmental funds reported a combined ending total fund balance of $89,484,297 at September 30, 2019, an increase of $9,496,249 from the prior fiscal year. This increase is attributed to the issuance of $8,630,000 in general obligation & refunding and bonds and $2,600,000 of tax notes in fiscal year 2019, an increase in property tax revenues of $5,106,771, with an increase in revenue offset through capital outlay of $11,921,047.
- At the end of the 2019 fiscal year, the unassigned fund balance for the General Fund was $25,744,069 or 25.7% of total General Fund expenditures.
- On a government-wide basis, the City's total liabilities increased by $19,815,065; primarily as a result of an increase in the City's net pension liability by $16,381,959 as of September 30, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner like that of a private-sector business.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure.

The Statement of Activities presents information that shows how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

In the government-wide financial statements, on pages 17 through 19, the City is divided into three kinds of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including the police, fire, library, community development, parks and recreation, municipal court, and general administration. Property and sales taxes, charges for services, franchise fees, and state and federal grants finance most of these activities.

- **Business-type activities** - The City's water, sewer, solid waste, drainage, and golf course operations are reported here. These are functions intended to recover all or a significant portion of their costs through user fees and charges.

- **Component units** - The City includes two separate legal entities in this report: the Allen Economic Development Corporation (AEDC) and the Allen Community Development Corporation (ACDC). Although legally separate, these component units are important because the City is financially accountable for them.

Fund financial statements - A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds - These funds are used to account for most of the City's activities, which are essentially the same functions as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as resources available for future spending at fiscal year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. When compared with similar information in the broader government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliation is provided, which details the relationships or differences between governmental activities and governmental funds; reconciliation follows the fund financial statements.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Debt Service Fund, General Capital Projects Fund and General Obligation Bond Fund, all of which are major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 20 through 25 of this report.

Proprietary Funds - The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection, disposal services, drainage operations, and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for vehicle, machinery, and equipment replacements and costs associated with workers compensation, liability and property insurance, and employee medical and dental insurance programs. These services have been included within governmental activities in the government-wide financial statements as they predominantly benefit governmental rather than business-type functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, solid waste collection, and disposal services since they are major funds of the City. The Drainage Fund and the Golf Course Fund are the only remaining enterprise funds, and they are being presented as major funds even though they do not meet the criteria of a major fund. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules elsewhere in this report.

The basic proprietary fund financial statements are located on pages 26 through 30 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements are located on pages 33 and 34 of this report.

Notes to the Financial Statements - Additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements is provided in the notes to the financial statements located on pages 35 through 74 of this report.

Required Supplementary Information includes budgetary comparison schedules that have been provided for the general fund to demonstrate compliance with the budget. Required supplementary information also includes schedules of changes in net liabilities and related ratios and on contributions to the City's pension and other postemployment benefits (OPEB). The City participates in Texas Municipal Retirement System (TMRS) for its pension plan and provides its employees with post-retirement healthcare benefits (OPEB). The required supplementary information is found on pages 75 through 82 of this report.

The combining and budgetary schedules referred to earlier include information for nonmajor governmental funds, internal service funds, and the discretely presented component units, and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of the financial position of a government. The assets and deferred outflows of the City of Allen exceed the liabilities and deferred inflows by $610,643,541 at September 30, 2019. By far the largest portion of the City's net position ($504,720,654 or 83%) reflects its net investment in capital assets (i.e. land, buildings, infrastructure, vehicles, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City reports the net investment in its capital assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 124,295,338	$110,027,791	$ 55,828,488	$ 50,984,983	$ 180,123,826	$161,012,774
Capital assets	465,940,896	455,359,516	123,629,403	118,218,401	589,570,299	573,577,917
Total Assets	590,236,234	565,387,307	179,457,891	152,278,465	769,694,125	717,665,772
Deferred outflows of resources	15,643,851	7,844,279	1,859,065	875,828	17,502,916	8,720,107
Long-term liabilities	136,522,362	122,968,369	22,302,972	17,898,089	158,825,334	140,866,458
Other liabilities	12,492,392	11,340,373	4,681,843	3,977,673	17,174,235	15,318,046
Total Liabilities	149,014,754	134,308,742	26,984,815	21,875,762	175,999,569	156,184,504
Deferred inflows of resources	493,087	4,868,245	60,844	609,244	553,931	5,477,489
Net Position:						
Net investment in capital assets	391,261,029	379,153,944	113,459,625	103,762,241	504,720,654	482,916,185
Restricted	44,872,796	39,588,223	571,053	46,350	45,443,849	39,634,573
Unrestricted	20,238,419	15,312,432	40,240,619	43,785,615	60,479,038	59,098,047
Total Net Position	$ 456,372,244	$434,054,599	$154,271,297	$147,594,206	$ 610,643,541	$581,648,805

An additional portion of the City's net position, $45,443,849 represents resources that are subject to external restrictions on how those resources can be used. The remaining balance of $60,479,038 is available to be used to meet the government's ongoing obligations to citizens and creditors.

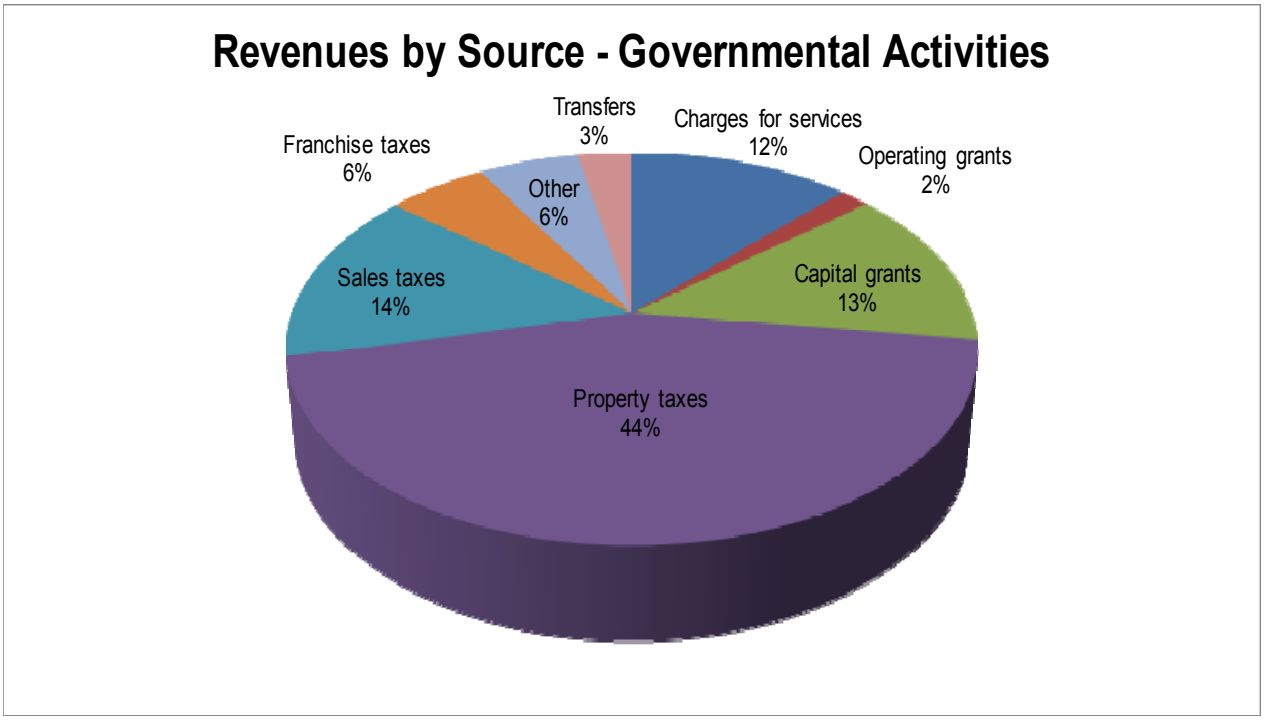
Analysis of the City's Operations - As of September 30, 2019, the City had an overall increase in net position of $28,994,736 for the primary government, which represents an increase of $22,317,645 for governmental activities and an increase of $6,677,091 for business-type activities. The increase in governmental activities resulted primarily from an increase in revenue related to charges for services, capital grants and contributions, property taxes, sales taxes, and investment earnings. The increase in business-type activities is primarily a result of an increase in charges for services and investment earnings. A summary of the City's operations for the year ended September 30, 2019, is provided in Table 2.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	$ 18,483,674	$ 17,858,790	$ 55,012,181	$ 54,104,868	$ 73,495,855	$ 71,963,658
Operating grants and contributions	2,056,001	2,423,768	-	-	2,056,001	2,423,768
Capital grants and contributions	19,888,044	18,942,856	10,175,397	9,734,528	30,063,441	28,677,384
General Revenues:						
Property taxes	68,865,078	63,929,379	-	-	68,865,078	63,929,379
Sales tax	21,648,401	20,717,505	-	-	21,648,401	20,717,505
Franchise taxes	7,810,093	7,990,092	-	-	7,810,093	7,990,092
Hotel motel taxes	1,759,159	1,487,066	-	-	1,759,159	1,487,066
Other taxes	2,204,220	1,704,227	-	-	2,204,220	1,704,227
Interest earnings	4,048,112	944,196	1,284,728	210,045	5,332,840	1,154,241
Gain on sale of capital assets	-	446,117	-	13,228	-	459,345
Miscellaneous	3,460,124	3,592,229	396,719	21,030	3,856,843	3,613,259
Total Revenues	150,222,906	140,036,225	66,869,025	64,083,699	217,091,931	204,119,924
Expenses:						
General government	21,238,061	26,764,210	-	-	21,238,061	26,764,210
Public safety	44,993,635	39,213,768	-	-	44,993,635	39,213,768
Public works	27,039,953	24,161,991	-	-	27,039,953	24,161,991
Culture and recreation	33,287,645	33,791,438	-	-	33,287,645	33,791,438
Community development	3,160,050	3,079,242	-	-	3,160,050	3,079,242
Interest on long-term debt	2,888,831	2,920,824	-	-	2,888,831	2,980,513
Water and sewer	-	-	44,511,123	41,134,685	44,511,123	41,134,685
Solid waste services	-	-	6,248,035	6,223,788	6,248,035	6,223,788
Drainage	-	-	1,396,935	1,260,262	1,396,935	1,260,262
Golf course	-	-	3,332,927	3,397,180	3,332,927	3,397,180
Total Expenses	132,608,175	129,931,473	55,489,020	52,015,915	188,097,195	181,947,388
Change in net position before transfers	17,614,731	10,104,752	11,380,005	12,067,784	28,994,736	22,172,536
Transfers	4,702,914	4,398,244	(4,702,914)	(4,398,244)	-	-
Change in net position	22,317,645	14,502,996	6,677,091	7,669,540	28,994,736	22,172,536
Net position, beginning of year, as restated	434,054,599	419,551,603	147,594,206	139,924,666	581,648,805	559,476,269
Net position, end of year	$ 456,372,244	$ 434,054,599	$154,271,297	$147,594,206	$610,643,541	$581,648,805

Governmental activities

Revenues – The following chart visually illustrates the City's revenue by sources for governmental activities:



Revenues for the City's governmental activities increased by $10,186,681. Major components of revenue increase and decreases are explained as follows:

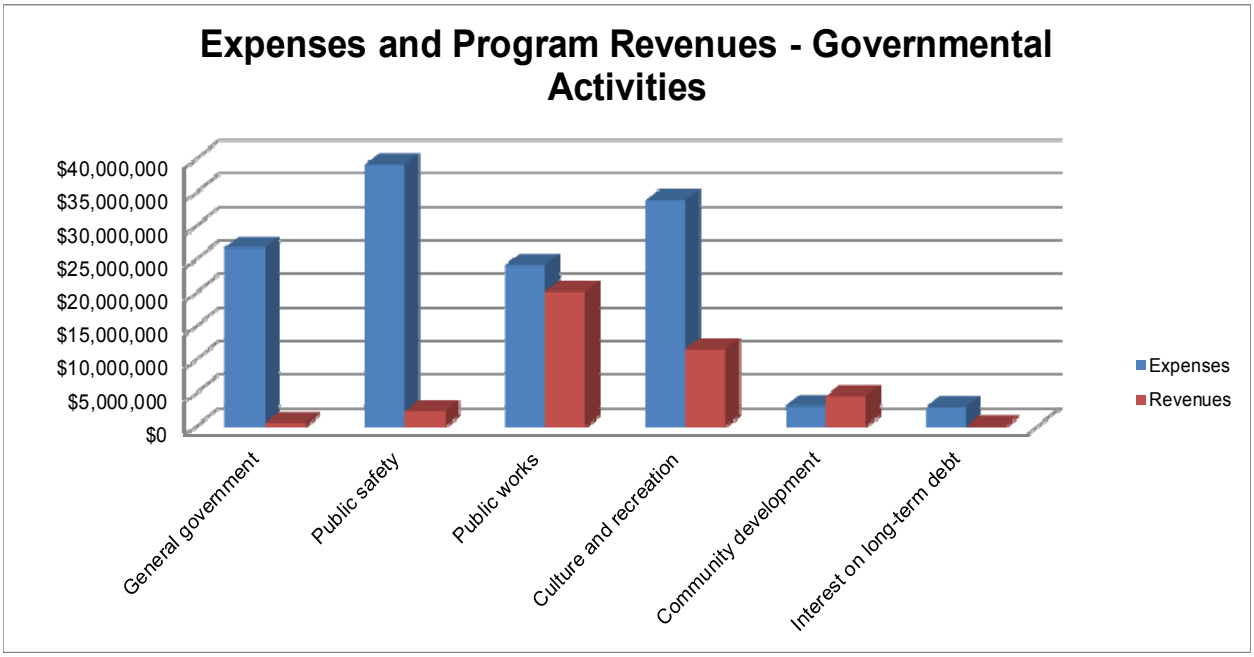
- Property taxes increased by $4,935,699, or 7.7%, due to an increase of 9.9% from prior year's valuation. This increase is due to real property reappraisals and new property additions.
- Sales taxes increased by $930,896 over prior year collections.
- Other tax revenues, including fines, increased by $499,993 over prior year collections.
- Charges for services increased by $624,884 or 3.5% primarily due to an increase in parks and recreations charges and an increase in roadway impact fee revenue.
- Capital grants and contributions increased by $945,188 over fiscal 2018.
- Interest earnings increased by $3,103,916, an increase of 329% over prior year, as a result of increased interest rates and fair market values of investments during fiscal 2019.

Expenses for governmental activities totaled $132,608,175, an increase of $2,676,702 from fiscal year 2018. Components of increases and decreases are explained as follows:

- The overall increase in expenses include the result of increased pension and OPEB net expense in the current year and employee annual merit increases.
- Expenses for Public Safety increased by 14.7%, due primarily to the scheduled salaries market adjustment for both Fire and Police departments and the addition of 10 fulltime equivalent positions to address goals in the strategic plan and maintain the current levels of service.
- Expenses for Public Works increased by 11.9% due to the increase on street improvements throughout the City and the increase in net pension liability from fiscal year 2018 to fiscal year 2019.

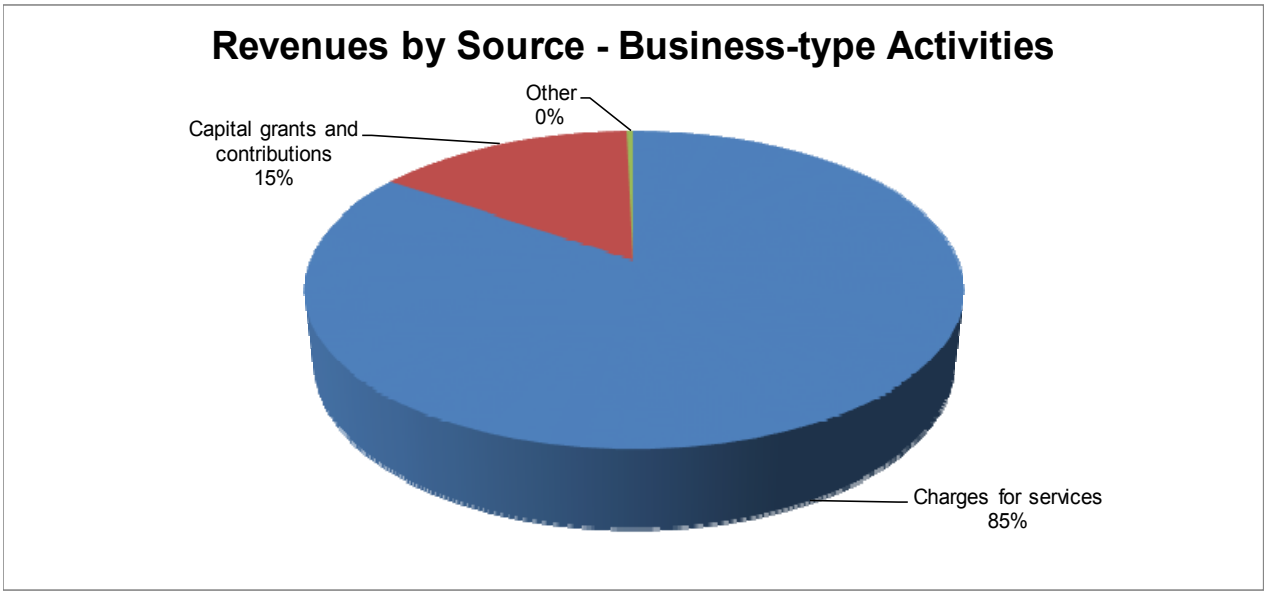
- Expenses for General Government decreased by $5,526,149, or 20.7%, due primarily to the allocation of vehicle and equipment replacement costs to applicable City departments.

The following chart illustrates the relationship between expenses and program revenues for governmental type activities:



Business-type activities –

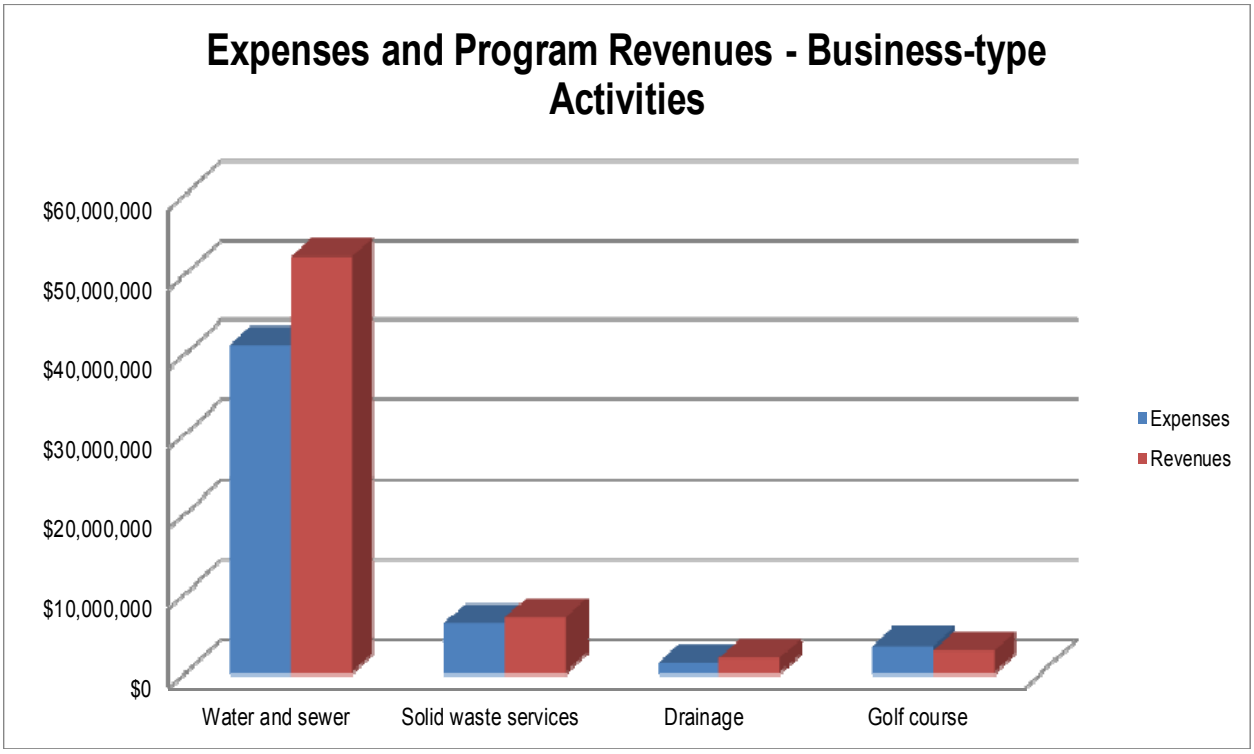
Revenues – The following chart visually illustrates the City's revenue by sources for business-type activities:



Revenues from business-type activities increased $2,785,326, or 4.35%. Major components of the net increase are as follows:

- Charges for services for business-type activities increased by $907,313, or 1.68%.
- Capital grants and contributions increased by $440,869 over the prior year.
- Investment earnings increased by $1,074,683 or 511.64% over fiscal 2018.

Expenses for business-type activities increased by $3,473,105, or 6.7%. The increase was due to an increase of 8.3% in expenses in the Water and Sewer Fund, an increase of 10.8% in the expenses in the Drainage Fund, offset by a decrease of 1.9% in expenses in the Golf Course Fund. The increase in the Water and Sewer Fund stemmed primarily from payments to North Texas Municipal Water District (NTMWD) for the City's share of the costs incurred to design, construct, operate, and maintain a new wastewater collection system that would prevent participating cities from incurring more expensive future costs. The increase in the Golf Course Fund was primarily a result of increased personnel costs and an increase in the cost of general supplies. The following chart illustrates the relationship between expenses and program revenues for business-type activities:



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds

The focus of the City of Allen's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the governmental funds reported a combined ending fund balance of $89,484,297, an increase of $9,496,249 in comparison with the prior fiscal year. Approximately 30%, or $25,744,069 constitutes unassigned fund balances, which are available for spending at the government's discretion. The remaining fund balances are classified as non-spendable, restricted, or assigned to indicate that they are not available for new spending allocation. The non-spendable portion includes $198,684 related to prepaid items and $11,390 associated with inventories. The restricted portion includes: debt service ($1,713,320), capital expenditures ($18,190,422), tourism ($2,646,073), asset forfeiture ($177,538), state and federal grants ($263,729), park acquisition and development ($1,130,579), tax increment financing agreements ($5,086,363), court technology ($91,021), juvenile case manager ($29,435), PEG fees ($1,026,569), radio system ($268,023), court security ($8,012), public safety and library enhancements ($813,833), and cemetery trust ($61,304). In addition, $32,023,933 was assigned to capital expenditures.

The General Fund is the chief operating fund of the City. As of the end of the current fiscal year, the total unassigned fund balance was $25,744,069. Current operating expenditures had savings of $5,244,191, which allowed monies to be transferred to the General Capital Projects Fund for self-financing of capital projects. The total fund balance increased from $23,711,241 at September 30, 2018, to $26,014,696 at September 30, 2019. This increase is due to prudent, conservative management by City staff.

The Debt Service Fund balance of $1,713,320, all of which is restricted for the payment of debt, represents an increase from the prior year of $461,382. The increase was due to the reduction in expenditure for the debt service principal retirement in the amount of $599,215 over the prior year. The fund balance covers the 5-10% of annual debt service requirement for fiscal year 2019, which is $720,623 to $1,441,247.

The General Capital Projects Fund provides information on cash financed capital projects and had an ending fund balance of $32,024,684 at September 30, 2019, an increase of $3,675,493. Revenues and other financing sources totaled $10,042,685, which includes $95,000 received from the City of Fairview for Stacy Road improvements, $312,683 received from HHSC for reimbursement of Fire Department expenditures, $275,840 in charges for services for median improvements, $367,604 in miscellaneous revenue for street improvements, and $6,500,000 from other funds to cash finance capital projects. Total expenditures and other uses of $6,367,192 consisted primarily of $3,653,862 for streets, intersections and medians improvements throughout the City, $918,215 for public safety software and hardware systems, $203,589 for the bridge replacement at the Joe Farmer Recreation Center, $108,058 for improvements at Spirit Park, $800,000 in capital lease payments, and $683,450 for miscellaneous street and alley repairs.

The General Obligation Bond Fund had an ending fund balance of $18,190,422, which represents a increase of $88,456 from the prior year. Expenditures totaled $10,683,593, which consisted mainly of $2,300,000 for the Collin County College Firearms Training Facility, $3,246,186 for the central fire station remodel, $210,511 for traffic signal upgrades, $1,962,768 for Alma Drive improvements, $634,158 for median enhancements, and $835,577 for miscellaneous street and alley repairs.

General Fund Budgetary Highlights

During April and May each year, all accounts are evaluated to determine whether they are in line with the original budgets. Accounts that are under or over budget are revised to meet year-end final estimates. New projects are not added to the year-end estimate; only the cost of maintaining the current base operation is revised as needed. As is customary, during fiscal year ended September 30, 2019, the City Council amended the budget for the General Fund one time.

Adjustments made during fiscal year 2019 increased the original revenue budget by $3,154,319 and increased the expenditure budget by $1,714,346. Due to actual expenditures being $5,044,697 less than the revised budget and revenues exceeding the revised budget by $2,048,485, the City was able to transfer $6,000,000 to the General Capital Projects Fund to cash finance future capital projects and transfer $20,000 to the Golf Course Fund to ensure a positive net position at year's end. The General Fund's unrestricted operational expenditure in reserve increased to 95 days from the amended budget of 76 days, which is well above the City's financial policy to maintain an operational expenditure reserve of 60- to 90-days.

Proprietary funds

The City's proprietary funds provide information like the presentation in the government-wide financial statements, but in more detail. As of September 30, 2019, the unrestricted net position for all enterprise funds were as follows: Water and Sewer, $33,702,668; Solid Waste, $3,726,650; Drainage, $1,188,944 and Golf Course, $304,181. The total change in net position for these funds was an increase of $5,989,418; an increase of $149,478; an increase of $64,634; and an increase of $264,394, respectively.

The Water and Sewer Fund had an increase in net position as a result of a significant increase in water demand over the summer months of 2019 coupled with an increase in customer rates. The Solid Waste Fund had an increase in net position due to increased revenue coupled with an increase in transfers out to other funds. The Drainage Fund had an increase in net position due to an increase in operating revenues. The Golf Course Fund had an increase in net position due to increased transfers in from other funds.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019, was $589,570,299 (net of accumulated depreciation). Investment in capital assets includes land and improvements, buildings, vehicles, machinery and equipment, park land and facilities, roads and bridges. About 79% of the capital assets are governmental and 21% represent business-type activities. There was an increase of 2.8% in the investment in capital assets for the current fiscal year.

Table 3
Capital Assets at Year-end, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$148,615,695	$143,531,148	$ 4,087,385	$ 4,072,882	$152,703,080	$147,604,030
Buildings	67,637,987	70,204,069	-	-	67,637,987	70,204,069
Towers, tanks, and pump stations	-	-	108,869,545	107,724,356	108,869,545	107,724,356
Other Improvements	215,915,622	212,575,308	293,775	306,039	216,209,397	212,881,347
Furniture and fixtures	138,814	169,577	-	-	138,814	169,577
Vehicles	7,964,345	6,541,467	372,275	388,743	8,336,620	6,930,210
Machinery and equipment	3,727,830	3,692,505	1,578,068	2,038,203	5,305,898	5,730,708
Construction in progress	21,940,603	18,645,442	8,428,355	3,688,178	30,368,958	22,333,620
Total	$465,940,896	$455,359,516	$123,629,403	$118,218,401	$589,570,299	$573,577,917

The major governmental-type capital improvement projects and developer contributions during the current fiscal year included the following:

Developer Contributed Streets, Alleys, and Rights of Way	$ 15,841,034
Central Fire Station Remodel	3,246,186
Collin College Gun Range	2,300,000
Public Safety Hardware & Software	918,215
Street construction:	
Alma Drive Improvement	$ 2,310,895
Street and Alleys Improvements	1,487,172
Median Improvements	634,159

Business-type capital improvement projects and developer contributions during the current fiscal year include the following:

Developer contributed water mains and sewer lines	$ 6,225,357
Hillside Water & Sewer Rehabilitation Phase 1	1,232,617
Hillside Water & Sewer Rehabilitation Phase 2	3,309,872

Additional information on the City's capital assets can be found in Note 4 of this report.

DEBT ADMINISTRATION

As shown in Table 4, the City's total outstanding debt at September 30, 2019, was $198,493,639. Of this total, $136,522,362 was associated with governmental activities, $22,302,972 was business-type activities, and $39,668,305 was associated with the Component Units. Total gross bonded debt and a note payable accounted for $150,372,432, which include $83,815,000 of General Obligation (G.O.) bonds backed by the full faith and credit of the primary government; $15,535,000 secured solely by water and sewer revenues; the Component Units' total of $36,715,000 that is secured by future sales tax revenue; notes payable balance of $4,560,616; and $9,746,816 in net premiums and discounts from bond issuances. Other long-term debt relates to accrued compensated absences, net pension liability, net OPEB liability, and capital leases liability.

During fiscal year 2019, the City issued General Obligation Improvement and Refunding Bonds in the amount of $8,630,000; $3,845,000 in Waterworks and Sewer System Revenue Bonds; and $2,600,000 of Tax Notes.

The revenue bond debt for both component units relates to debt issued to support public infrastructure improvements, land acquisition, and construction of the Allen Event Center. The notes payable in the Component Units relate to a loan agreement in which Allen Economic Development Corporation entered to finance the purchase of 31 acres of land. Total debt of the Component Units decreased by 11.1%. Total debt for the Allen Economic Development Corporation decreased by 19.2%, and for the Allen Community Development Corporation, total debt decreased by 6.2%.

Table 4
Outstanding Debt at Year-end
Bonds and Other Long-Term Liabilities

	Governmental Activities		Business-type Activities		Component Units		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Gross Bonded Debt								
General Obligation Bonds	$ 83,815,000	$ 86,785,000	$ -	$ -	$ -	$ -	$ 83,815,000	$ 86,785,000
Revenue Bonds Payable	-	-	15,535,000	13,050,000	-	-	15,535,000	13,050,000
Premiums & Discounts	7,651,739	7,675,400	1,102,388	800,800	992,689	1,125,047	9,746,816	9,601,247
Sales Tax Revenue Bonds	-	-	-	-	36,715,000	40,925,000	36,715,000	40,925,000
Notes Payable	2,600,000	635,000	-	-	1,960,616	2,588,695	4,560,616	3,223,695
Total Gross Bonded Debt	94,066,739	95,095,400	16,637,388	13,850,800	39,668,305	44,638,742	150,372,432	153,584,942
Other Long-Term Debt								
Compensated Absences	7,036,501	6,368,701	746,994	786,209	-	-	7,783,495	7,154,910
Net Pension Liability	34,032,752	19,444,403	4,189,807	2,396,197	-	-	38,222,559	21,840,600
Net OPEB Liability	1,310,379	1,195,620	159,601	145,492	-	-	1,469,980	1,341,112
Capital Leases	75,991	864,245	569,182	719,391	-	-	645,173	1,583,636
Total Other Long-Term Debt	42,455,623	27,872,969	5,665,584	4,047,289	-	-	48,121,207	31,920,258
Total	$ 136,522,362	$ 122,968,369	$ 22,302,972	$ 17,898,089	$ 39,668,305	$ 44,638,742	$ 198,493,639	$ 185,505,200

The underlying credit ratings from both Moody's Investors Service and Standard and Poor's for the City's General Obligation Bonds, Certificates of Obligation, Waterworks and Sewer System Revenue Bonds, Community Development Corporation's Sales Tax Bonds, and Economic Development Sales Tax Revenue Bonds are shown below in Table 5. Additional information on the City's long-term debt can be found in Note 5 to the basic financial statements.

Table 5
Bond Ratings

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	Aaa	AAA
Certificates of Obligation	Aaa	AAA
Water & Sewer Revenue Bonds	Aa2	AAA
CDC Sales Tax Revenue Bonds	Aa2	
EDC Sales Tax Revenue Bonds	Aa2	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The local economy continues to be moderately strong for the City of Allen and for the North Central Texas region. Focused on having a balanced community, the City takes a proactive approach to economic development with its business recruitment and retention efforts, as well as with its variety of housing options. In addition, the City conservatively manages its budget. The City currently supports a staff of 839.46 full-time equivalent employees allocated among the operating departments. This budget includes an increase of 6.48 full-time equivalent (FTE) positions, setting the total employment level for FY2020 at 845.94. This includes 6.98 additional General Fund FTE positions, as well as an increase of 1.0 additional FTE position in the Water and Sewer Fund and a reduction of 1.5 FTE from the Golf Course Fund. The staffing level has been increased in these funds to address the goals established by City Council and to maintain current levels of service.

The City revenues impacted mostly by a moderately strong economy are ad valorem taxes and sales taxes. Revenues from ad valorem taxes experienced growth due to new construction and reappraisal increases of existing real property. For fiscal year 2019-2020, the overall increase in valuation from all categories was 6.37%. However, the increase in property tax revenues was budgeted at 1.76% due to the lowering of the tax rate by 0.9 cent. Ad valorem taxes are the General Fund's largest revenue source and are estimated to contribute $54.8 million or 50% of the fund's budgeted revenues in FY2020. Appraisal values are established by the Central Appraisal District of Collin County, and collections are certified at 100% by the Collin County Tax Assessor-Collector's office. Overall, revenues from sales taxes are expected to increase by 3.51% over the revised fiscal year 2019 budget due to new retail development and population growth. As the City's sizeable retail developments near its capacity, the rate of growth of sales tax is expected to increase based on a combination of population growth and increases in prices for retail items.

The rate of residential growth has steadily increased as the economy recovered. The City estimates issuance of over 415 single family permits in fiscal year 2020. The population of approximately 107,151 as of September 30, 2019, is expected to reach approximately 130,000 at "build out" in the next twelve years. The population projection at "build out" has been increased recently due to the construction of additional multi-family homes, changes to projected land use plans, and an overall increase in the density of the developments.

The various infrastructure and operational needs of the City have resulted in the annual expenditure budget increase from $164.49 million in fiscal year 2012, to $226.01 million for fiscal year 2020 for all funds combined. The certified assessed property value for 2019-2020 equates to an overall increase of approximately $865.8 million (6.37%) from the preceding year. The fiscal year 2020 tax rate was set at $0.489 per $100 valuation. Of the total tax rate, $0.387038 is dedicated to operations and maintenance in the General Fund, and $0.101962 is dedicated to general obligation debt service.

As of September 30, 2019, the General Fund carried a positive variance with the revised budgeted fund balance in the amount of $1,090,507. The general Fund ending fund balance of $26,014,696 supports an equivalent of 95 days of operating expenditures, which is higher than the amended estimate of 76 days and above the range of the City's financial policy to maintain an operational expenditure reserve of 60- to 90-days. The 2018-2019 General Fund expenditure budget reflects a 12.4% increase over the revised 2017-2018 budget. This is primarily due to compensation merit increases and a market adjustment to the salaries of Public Safety employees along with increases in the net OPEB liability and net pension liability as of the end of the current fiscal year. These changes will allow the City to retain staff to meet its strategic goals and continue its commitment to maintaining high levels of service to the public.

The Water and Sewer Fund is expected to begin fiscal year 2020 with a $9.948 million working capital balance. The total fund revenues are expected to be $52,005,052. Expenses include a $3,011,567 transfer to capital projects for systematic water and sewer infrastructure replacement projects and future CIP funding. The budget incorporates the water and sewer rate study completed in 2017 and updated in fiscal year 2019. The $12.465 million in working capital ending balance results in 98 days of operating expenditures in reserve, which is within the City policy of 90 to 120 days. This balance is necessary to fund future capital projects and ongoing major maintenance projects planned to ensure that water and sewer infrastructure continues to meet the needs of the residents. Due to careful attention to cost containment, the City has been able to maintain water and sewer rates that are among the lowest in the region.

The Solid Waste Fund represents the financial activity related to solid waste collection and disposal, including recycling, composting services, and management of household hazardous waste. Anticipated revenues in fiscal year 2020 total $7,171,105, and budgeted expenses total $7,709,943. The total working capital ending balance for the Solid Waste Fund is projected to be $2,757,315 and provides for 136 days of reserves. Following City Council's recommendation, the Solid Waste Fund Balance will continue to absorb the North Texas Municipal Water District disposal cost increases in fiscal year 2020, rather than passing these increases to residents and businesses. The Solid Waste Fund will contribute funding in the amount of $300,000 in fiscal year 2020 for alley repairs.

The Drainage Fund is supported by drainage fees on utility bills and development inspection fees. The fund performs drainage system maintenance, funds the City's contracts for street sweeping, greenbelt mowing along drainage ways, and mosquito abatement activities. The fund also supports the City's Texas Pollutant Discharge Elimination System (TPDES) permit activities and provides funds to accomplish drainage system related capital improvements. Additional funding of $50,000 is included for repairing failing drainage infrastructure. Total anticipated revenues for fiscal year 2020 is $1,832,500, with budgeted expenses totaling $2,005,604. The total working capital ending balance for the Drainage Fund is projected to be $984,285 and provides for 179 days of reserves, which is consistent with Fund Balance Policy.

The City's golf course, formerly called Chase Oaks, is in its seventh year of operation. After the course was redesigned, it was renamed as The Courses at Watters Creek. The renovated course opened in January 2013. The completion of the 33 holes has helped to improve the overall golf experience for the established players and create an enthusiastic environment for new golfers of all ages. There is an 18-hole course, a 9-hole course, 6 additional holes for short iron play, new putting greens, and a lighted driving range. The Golf Course Fund's operating expenses in fiscal year 2020 are anticipated to be $3,754,624, which will be covered by operating revenues estimated at $3,402,472 and transfers in from the General Fund of $352,152. General Fund support to the Golf Course Fund may fluctuate based upon actual revenues from green fees and food & beverage sales that exceed budgeted amounts.

The Risk Management Fund accounts all risks and liability obligations the City incurs. Included in the fund are health and dental costs, for which the City is self-insured. The fund also includes premiums for workers' compensation as well as expenses for property and liability insurance. There is no increase to the health and dental contribution rates for either the City or employees due to significant changes made to our benefit plans such as increases to deductibles, out-of-pocket maximums, tobacco surcharge, elimination of out-of-network coverage on all plans, and increasing specialty prescription copays. The budgeted amount for workers' compensation coverage is $600,000. Property and Liability Insurance is anticipated to increase to a total budgeted amount of $853,300. The Risk Division continues to audit all policies on an ongoing basis. The Risk Management Fund continues to be in good financial condition. The fund balance continues to provide the financial security needed if catastrophic claims should occur.

In May 2016, the citizens of Allen authorized the future issuance of $93.15 million in General Obligation Bonds to fund capital improvement projects over the following seven years. The projects identified within that bond program represent a significant investment in infrastructure, public facilities, and recreational venues. None of the debt from the 2007 election is scheduled to be issued for fiscal 2019 or fiscal year 2020. Only $2 million remain authorized and unissued from the 2007 bond election for use at the Municipal Service Center. During fiscal year 2019, proceeds of approximately $7.686 million from the 2016 G.O. Bond Election were received as a result of new bond issuance. From that issuance, the following projects will be initiated:

- $2.386 million for various Signal and Roadway Improvements throughout the City
- $1.8 million to prepare for Fire Station #6
- $3 million for improvements to various Parks and Recreation Facilities
- $500,000 for Public Art Master Plan

The 2019 bond issuance included refunding proceeds of approximately $1.7 million to refund all future debt service payments related to the General Obligation Bonds, Series 2009. Additionally, Tax Notes of $2.6 million were issued in fiscal year 2019 to cover maintenance of the City facilities due to aging.

The City of Allen's budget continues to be positively impacted by moderately strong growth and by conservative fiscal management. The 2019-2020 budget reflects the efforts of the governing body and City staff to address the need to provide services and facilities to support our vibrant and growing community, while maintaining a strong financial position.

Request for Information

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, please contact the Finance Department at 305 Century Parkway, Allen, Texas, 75013, or call (214) 509-4626.

CITY OF ALLEN

BASIC FINANCIAL STATEMENTS

CITY OF ALLEN

CITY OF ALLEN, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

EXHIBIT 1

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash and cash equivalents	$ 14,427,573	$ 11,980,996	$ 26,408,569	$ 3,393,746
Investments	101,330,322	29,228,337	130,558,659	18,789,545
Receivables (net of allowance for uncollectibles)	8,613,101	11,439,429	20,052,530	4,304,661
Internal balances	(1,318,176)	1,318,176	-	-
Prepaid items and other assets	423,366	-	423,366	-
Net OPEB asset	807,762	-	807,762	-
Inventories	11,390	156,188	167,578	-
Restricted cash and cash equivalents	-	1,705,362	1,705,362	-
Capital assets:				
Non-depreciable	170,030,776	12,515,740	182,546,516	24,367,004
Depreciable (net of depreciation)	295,910,120	111,113,663	407,023,783	45,612,211
TOTAL ASSETS	590,236,234	179,457,891	769,694,125	96,467,167
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	1,272,441	91,920	1,364,361	916,216
Deferred outflows of resources - OPEB	185,080	22,964	208,044	-
Deferred outflows of resources - pension	14,186,330	1,744,181	15,930,511	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	15,643,851	1,859,065	17,502,916	916,216
LIABILITIES				
Accounts payable	6,190,077	2,899,473	9,089,550	398,993
Accrued liabilities	5,139,939	357,711	5,497,650	614,377
Accrued interest payable	441,281	169,309	610,590	105,657
Customer deposits	-	1,080,918	1,080,918	-
Unearned revenue	244,349	-	244,349	-
Retainage payable	476,746	174,432	651,178	110,000
Non-current liabilities:				
Due within one year	15,700,137	1,650,841	17,350,978	5,057,998
Due in more than one year	120,822,225	20,652,131	141,474,356	34,610,307
TOTAL LIABILITIES	149,014,754	26,984,815	175,999,569	40,897,332
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - OPEB	169,448	21,054	190,502	-
Deferred inflows of resources - pension	323,639	39,790	363,429	-
TOTAL DEFERRED INFLOWS OF RESOURCES	493,087	60,844	553,931	-
NET POSITION				
Net investment in capital assets	391,261,029	113,459,625	504,720,654	43,260,431
Restricted for:				
Debt service	1,307,688	571,053	1,878,741	509,871
Capital projects	32,023,933	-	32,023,933	-
Tourism	2,646,073	-	2,646,073	-
Park acquisition and development	1,130,579	-	1,130,579	-
State and federal grants	263,729	-	263,729	-
Tax Increment Financing	5,086,363	-	5,086,363	-
Other purposes	2,414,431	-	2,414,431	-
Unrestricted	20,238,419	40,240,619	60,479,038	12,715,749
TOTAL NET POSITION	$ 456,372,244	$ 154,271,297	$ 610,643,541	$ 56,486,051

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities:				
General government	$ 21,238,061	$ 500,122	$ -	$ -
Public safety	44,993,635	1,954,810	760,105	-
Public works	27,039,953	1,485,962	-	15,069,083
Culture and recreation	33,287,645	9,744,309	971,779	3,639,328
Community development	3,160,050	4,798,471	324,117	1,179,633
Interest on long-term debt	2,888,831	-	-	-
Total governmental activities	132,608,175	18,483,674	2,056,001	19,888,044
Business-type Activities:				
Water and sewer	44,511,123	43,103,920	-	10,175,397
Solid waste	6,248,035	7,006,423	-	-
Drainage	1,396,935	1,763,694	-	-
Golf course	3,332,927	3,138,144	-	-
Total business-type activities	55,489,020	55,012,181	-	10,175,397
TOTAL PRIMARY GOVERNMENT	$ 188,097,195	$ 73,495,855	$ 2,056,001	$ 30,063,441
COMPONENT UNITS:				
Allen Economic Development Corporation	$ 8,256,674	$ -	$ -	$ -
Allen Community Development Corporation	5,727,497	-	-	-
TOTAL COMPONENT UNITS	$ 13,984,171	$ -	$ -	$ -

General revenues:
Taxes:
Property taxes, levied for general purposes
Sales taxes
Franchise taxes
Hotel motel taxes
Other taxes
Investment earnings
Gain on sale of assets
Miscellaneous
Transfers

Total general revenues and transfers

CHANGE IN NET POSITION

NET POSITION, beginning of year

NET POSITION, end of year

The Notes to Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business - Type Activities	TOTAL	COMPONENT UNITS
$ (20,737,939)	$ -	$ (20,737,939)	$ -
(42,278,720)	-	(42,278,720)	-
(10,484,908)	-	(10,484,908)	-
(18,932,229)	-	(18,932,229)	-
3,142,171	-	3,142,171	-
(2,888,831)	-	(2,888,831)	-
(92,180,456)	-	(92,180,456)	-
-	8,768,194	8,768,194	-
-	758,388	758,388	-
-	366,759	366,759	-
-	(194,783)	(194,783)	-
-	9,698,558	9,698,558	-
$ (92,180,456)	$ 9,698,558	$ (82,481,898)	$ -
$ -	$ -	$ -	$ (8,256,674)
-	-	-	(5,727,497)
$ -	$ -	$ -	$ (13,984,171)
$ 68,865,078	$ -	$ 68,865,078	$ -
21,648,401	-	21,648,401	21,205,654
7,810,093	-	7,810,093	-
1,759,159	-	1,759,159	-
2,204,220	-	2,204,220	-
4,048,112	1,284,728	5,332,840	793,661
-	-	-	1,426,630
3,460,124	396,719	3,856,843	30,899
4,702,914	(4,702,914)	-	-
114,498,101	(3,021,467)	111,476,634	23,456,844
22,317,645	6,677,091	28,994,736	9,472,673
434,054,599	147,594,206	581,648,805	47,013,378
$ 456,372,244	$ 154,271,297	$ 610,643,541	$ 56,486,051

CITY OF ALLEN, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	GENERAL	DEBT SERVICE	GENERAL CAPITAL PROJECTS
ASSETS			
Cash and cash equivalents	$ 482,310	$ 1,627,503	$ 2,991,992
Investments	26,894,166	85,943	29,502,179
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	138,109	35,523	-
Sales taxes	3,769,763	-	-
Accounts receivable	330,448	-	-
Accrued interest	222,606	-	115,935
Other	2,952,223	-	312,683
Inventories	11,390	-	-
Prepaid items	197,933	-	751
TOTAL ASSETS	34,998,948	1,748,969	32,923,540
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	4,330,261	-	299,218
Accrued liabilities	3,517,033	-	384,795
Unearned revenue	244,349	-	-
Retainage payable	-	-	142,199
TOTAL LIABILITIES	8,091,643	-	826,212
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	138,109	35,523	-
Unavailable revenue - charges for services	686,195	-	-
Unavailable revenue - miscellaneous	8,439	-	40,857
Unavailable revenue - interest	15,518	126	31,787
Unavailable revenue - fines	44,348	-	-
Unavailable revenue - grants	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	892,609	35,649	72,644
FUND BALANCES			
Nonspendable			
Prepaid items	197,933	-	751
Inventories	11,390	-	-
Restricted			
Debt service	-	1,713,320	-
Capital expenditures	-	-	-
Tourism	-	-	-
Asset forfeiture	-	-	-
State and federal grants	-	-	-
Park acquisition and development	-	-	-
Tax increment financing agreement	-	-	-
Court technology	-	-	-
Juvenile case manager	-	-	-
PEG fees	-	-	-
Radio system	-	-	-
Court security	-	-	-
Public safety and library enhancements	-	-	-
Cemetery trust	61,304	-	-
Assigned			
Capital expenditures	-	-	32,023,933
Unassigned	25,744,069	-	-
TOTAL FUND BALANCES	26,014,696	1,713,320	32,024,684
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 34,998,948	$ 1,748,969	$ 32,923,540

The Notes to Financial Statements are an integral part of this statement.

GENERAL OBLIGATION BOND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 1,963,377	$ 3,427,038	$ 10,492,220
17,366,985	8,237,889	82,087,162
-	-	173,632
-	-	3,769,763
-	326,355	656,803
79,673	38,703	456,917
15,600	-	3,280,506
-	-	11,390
-	-	198,684
19,425,635	12,029,985	101,127,077
861,422	416,035	5,906,936
-	36,030	3,937,858
-	-	244,349
322,276	12,271	476,746
1,183,698	464,336	10,565,889
-	-	173,632
-	-	686,195
-	-	49,296
51,515	24,347	123,293
-	-	44,348
-	127	127
51,515	24,474	1,076,891
-	-	198,684
-	-	11,390
-	-	1,713,320
18,190,422	-	18,190,422
-	2,646,073	2,646,073
-	177,538	177,538
-	263,729	263,729
-	1,130,579	1,130,579
-	5,086,363	5,086,363
-	91,021	91,021
-	29,435	29,435
-	1,026,569	1,026,569
-	268,023	268,023
-	8,012	8,012
-	813,833	813,833
-	-	61,304
-	-	32,023,933
-	-	25,744,069
18,190,422	11,541,175	89,484,297
$ 19,425,635	$ 12,029,985	$ 101,127,077

CITY OF ALLEN, TEXAS **EXHIBIT 4**
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Total fund balance of governmental funds balance sheet		$ 89,484,297
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		465,940,896
Funds comprising the net OPEB asset are not current financial resources and therefore are not reported in the governmental funds balance sheet.		807,762
The following deferred outflows of resources and deferred inflows of resources are not reported in governmental funds:		
Deferred charges on refunding	$ 1,272,441	
Deferred outflows of resources - OPEB	185,080	
Deferred outflows of resources - pension	14,186,330	
Deferred inflows of resources - OPEB	(169,448)	
Deferred inflows of resources - pension	(323,639)	15,150,764
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability on the governmental funds balance sheet.		(441,281)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds ($31,884,155) are net of the amount allocated to business-type activities ($1,318,176) and to capital assets ($9,690,702).		20,875,277
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.		1,076,891
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. Long-term liabilities consist of:		
General obligation bonds	$ (83,815,000)	
Tax notes	(2,600,000)	
Capital lease payable	(75,991)	
Premiums/discounts	(7,651,739)	
Compensated absences	(7,036,501)	
Net OPEB liability	(1,310,379)	
Net pension liability	(34,032,752)	(136,522,362)
Net position of governmental activities		$ 456,372,244

The Notes to Financial Statements are
an integral part of this statement.

CITY OF ALLEN

CITY OF ALLEN, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	GENERAL	DEBT SERVICE
REVENUES		
Ad valorem taxes, penalties and interest	$ 53,250,570	$ 14,202,312
Franchise taxes	7,628,851	-
Municipal sales tax	21,127,093	-
Licenses, permits and fees	5,019,490	-
Charges for services	11,814,263	-
Fines	2,025,605	-
Gifts and contributions	785,613	-
Hotel / motel fees	-	-
Intergovernmental	261,132	-
Investment earnings	1,326,225	216,756
Miscellaneous	2,579,264	-
Total revenues	105,818,106	14,419,068
EXPENDITURES		
Current		
General government	18,376,868	-
Public safety	43,155,246	-
Public works	6,410,188	-
Culture and recreation	28,652,437	-
Community development	2,859,578	-
Capital outlay	787,360	-
Debt service:		
Principal retirement	-	10,582,162
Interest and fiscal charges	-	3,407,768
Total expenditures	100,241,677	13,989,930
Excess (deficiency) of revenues over (under) expenditures	5,576,429	429,138
OTHER FINANCING SOURCES (USES)		
Issuance of refunding bonds	-	1,660,000
Issuance of bonds	-	-
Premium on bonds issued	-	47,244
Payment to refunded bond escrow agent	-	(1,675,000)
Capital lease obligations	-	-
Transfers in	4,911,714	-
Transfers out	(8,208,513)	-
Proceeds from sale of capital assets	23,825	-
Total other financing sources (uses)	(3,272,974)	32,244
NET CHANGE IN FUND BALANCES	2,303,455	461,382
FUND BALANCES, BEGINNING OF YEAR	23,711,241	1,251,938
FUND BALANCES, END OF YEAR	$ 26,014,696	$ 1,713,320

The Notes to Financial Statements are an integral part of this statement.

GENERAL CAPITAL PROJECTS	GENERAL OBLIGATION BOND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ -	$ -	$ 1,431,944	$ 68,884,826
-	-	181,242	7,810,093
-	-	521,308	21,648,401
-	-	259,935	5,279,425
1,772,211	-	-	13,586,474
-	-	188,966	2,214,571
-	-	800,000	1,585,613
-	-	1,758,858	1,758,858
467,027	-	530,239	1,258,398
865,438	565,592	306,329	3,280,340
438,009	-	89,721	3,106,994
3,542,685	565,592	6,068,542	130,413,993
408,412	169,389	947,873	19,902,542
-	-	128,738	43,283,984
2,508,362	2,275,843	-	11,194,393
243,071	300	1,148,852	30,044,660
-	-	302,101	3,161,679
2,407,347	8,238,061	488,279	11,921,047
800,000	-	-	11,382,162
-	-	-	3,407,768
6,367,192	10,683,593	3,015,843	134,298,235
(2,824,507)	(10,118,001)	3,052,699	(3,884,242)
-	-	-	1,660,000
-	9,570,000	-	9,570,000
-	847,549	-	894,793
-	-	-	(1,675,000)
-	33,908	-	33,908
6,500,000	-	514	11,412,228
-	(245,000)	(100,556)	(8,554,069)
-	-	14,806	38,631
6,500,000	10,206,457	(85,236)	13,380,491
3,675,493	88,456	2,967,463	9,496,249
28,349,191	18,101,966	8,573,712	79,988,048
$ 32,024,684	$ 18,190,422	$ 11,541,175	$ 89,484,297

CITY OF ALLEN, TEXAS **EXHIBIT 6**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

Net change in fund balances - total governmental funds		$ 9,496,249
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		11,921,047
Current year changes in the net other post employment benefit asset are not current financial resources and therefore are not reported in the governmental funds.		3,050
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the acquisition value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		19,220,426
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(21,246,013)
In governmental fund financial statements, the proceeds from sales of assets are shown as an increase in financial resources. However, in the statement of activities, the gain or loss is calculated and reported.		(23,332)
The proceeds from issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:		
Refunding bonds issued	(1,660,000)	
Bonds issued	(9,570,000)	
Premium on bonds issued	(894,793)	
Payment to refunding bond escrow agent	1,675,000	
Issuance of capital lease	(33,908)	
Bond and capital lease principal retirement	11,382,162	
Amortization of bond premiums	918,454	
Amortization of deferred charges on refunding	(379,666)	1,437,249
Current year changes for compensated absences, net pension liability, net OPEB liability, deferred inflows/outflows related to pensions, and OPEB do not require the use of current financial resources and, therefore, are not reported in governmental funds.		(2,816,512)
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(19,852)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net operating and non-operating income and transfers of the internal service funds is reported with governmental activities net of amounts allocated to business-type activities.		4,453,915
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(108,582)
Change in net position of governmental activities		$ 22,317,645

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS **EXHIBIT 7**
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	WATER AND SEWER	SOLID WASTE	DRAINAGE	GOLF COURSE	TOTAL	INTERNAL SERVICE FUNDS
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 9,993,068	$ 348,029	$ 429,745	$ 1,210,154	$ 11,980,996	$ 3,935,353
Investments	25,520,169	2,819,444	888,724	-	29,228,337	19,243,160
Receivables, net of allowance for uncollectibles:						
Accounts	9,627,124	814,898	242,690	10,249	10,694,961	190,044
Accrued interest	115,260	11,359	4,548	-	131,167	85,436
Other	469,712	143,082	407	100	613,301	-
Inventories	156,188	-	-	-	156,188	224,682
Restricted cash and cash equivalents	1,705,362	-	-	-	1,705,362	-
Total current assets	47,586,883	4,136,812	1,566,114	1,220,503	54,510,312	23,678,675
NONCURRENT ASSETS						
CAPITAL ASSETS						
Land	4,087,385	-	-	-	4,087,385	-
Construction in progress	8,428,355	-	-	-	8,428,355	-
Other improvements	-	-	496,132	-	496,132	-
Towers, tanks, and pump stations	208,392,264	-	-	-	208,392,264	-
Vehicles	835,663	140,440	151,554	-	1,127,657	5,808,405
Machinery and equipment	3,566,331	12,359	573,537	1,448,781	5,601,008	16,348,854
Total capital assets	225,309,998	152,799	1,221,223	1,448,781	228,132,801	22,157,259
Less: accumulated depreciation	(102,853,222)	(60,889)	(679,946)	(909,341)	(104,503,398)	(12,466,557)
Capital assets, net of accumulated depreciation	122,456,776	91,910	541,277	539,440	123,629,403	9,690,702
Total noncurrent assets	122,456,776	91,910	541,277	539,440	123,629,403	9,690,702
TOTAL ASSETS	170,043,659	4,228,722	2,107,391	1,759,943	178,139,715	33,369,377
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	91,920	-	-	-	91,920	-
Deferred outflows of resources - OPEB	14,889	1,791	1,767	4,517	22,964	-
Deferred outflows of resources - pension	1,130,667	142,994	136,041	334,479	1,744,181	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,237,476	144,785	137,808	338,996	1,859,065	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts payable	2,602,481	78,052	96,786	122,154	2,899,473	283,141
Accrued liabilities	222,234	44,600	27,090	63,787	357,711	74
Retainage payable	174,432	-	-	-	174,432	-
Accrued compensated absences - current	304,091	48,848	39,878	68,060	460,877	-
Incurred but not reported claims	-	-	-	-	-	1,202,007
Payable from restricted assets:						
Revenue bonds payable - current	1,043,937	-	-	-	1,043,937	-
Capital leases payable - current	-	-	-	146,027	146,027	-
Accrued interest payable	169,309	-	-	-	169,309	-
Customer deposits payable	1,050,238	-	-	30,680	1,080,918	-
Total current liabilities	5,566,722	171,500	163,754	430,708	6,332,684	1,485,222
NONCURRENT LIABILITIES						
Revenue bonds payable	15,593,451	-	-	-	15,593,451	-
Capital leases payable	-	-	-	423,155	423,155	-
Net OPEB liability	102,905	12,642	12,001	32,053	159,601	-
Net pension liability	2,755,396	333,180	304,706	796,525	4,189,807	-
Accrued compensated absences	93,312	32,739	29,798	130,268	286,117	-
Total noncurrent liabilities	18,545,064	378,561	346,505	1,382,001	20,652,131	-
TOTAL LIABILITIES	24,111,786	550,061	510,259	1,812,709	26,984,815	1,485,222
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - pension	25,794	3,262	3,103	7,631	39,790	-
Deferred inflows of resources - OPEB	13,654	1,624	1,616	4,160	21,054	-
TOTAL DEFERRED INFLOWS OF RESOURCES	39,448	4,886	4,719	11,791	60,844	-
NET POSITION						
Net investment in capital assets	112,856,180	91,910	541,277	(29,742)	113,459,625	9,690,702
Restricted for revenue bond principal and interest	571,053	-	-	-	571,053	-
Unrestricted	33,702,668	3,726,650	1,188,944	304,181	38,922,443	22,193,453
TOTAL NET POSITION	$ 147,129,901	$ 3,818,560	$ 1,730,221	$ 274,439	$ 152,953,121	$ 31,884,155

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS **EXHIBIT 8**
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS TO THE
GOVERNMENT – WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Amounts reported for business-type activities in the statement of net position are different because:	
Total net position per statement of net position	$ 152,953,121
Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.	
The assets and liabilities of internal service funds are included in the governmental activities in the government-wide statement of net position. The amount shown represents the net receivable from internal service funds allocated to business-type activities since the adoption of GASB 34.	1,318,176
Total net position of business-type activities	$ 154,271,297

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS **EXHIBIT 9**
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	WATER AND SEWER	SOLID WASTE	DRAINAGE	GOLF COURSE	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES						
Charges for sales and services:						
Water sales	$ 24,667,050	$ -	$ -	$ -	$ 24,667,050	$ -
Sewer charges	17,638,064	-	-	-	17,638,064	-
Connection fees	214,330	-	-	-	214,330	-
Garbage collections	-	7,006,423	-	-	7,006,423	-
Service charges	584,476	-	55,365	3,138,144	3,777,985	15,821,750
Drainage fees	-	-	1,708,329	-	1,708,329	-
Miscellaneous	320,388	36,500	4,617	35,214	396,719	2,092,047
Total operating revenues	43,424,308	7,042,923	1,768,311	3,173,358	55,408,900	17,913,797
OPERATING EXPENSES						
Personnel services	5,607,601	704,073	705,101	1,704,203	8,720,978	367,131
Contractual services	30,648,905	5,398,811	249,069	1,070,418	37,367,203	13,119,165
Maintenance	579,321	9,421	147,710	173,402	909,854	-
Supplies	608,338	32,826	56,694	204,064	901,922	1,082
Depreciation	6,033,952	15,293	61,285	164,012	6,274,542	2,203,795
Other	712,478	87,611	177,076	16,828	993,993	-
Total operating expenses	44,190,595	6,248,035	1,396,935	3,332,927	55,168,492	15,691,173
OPERATING INCOME (LOSS)	(766,287)	794,888	371,376	(159,569)	240,408	2,222,624
NON-OPERATING REVENUES (EXPENSES)						
Investment earnings	1,147,358	96,711	40,659	-	1,284,728	697,073
Interest expense	(529,695)	-	-	-	(529,695)	-
Loss on disposal of capital assets	-	-	-	-	-	(101,370)
Total non-operating revenues (expenses)	617,663	96,711	40,659	-	755,033	595,703
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(148,624)	891,599	412,035	(159,569)	995,441	2,818,327
CAPITAL CONTRIBUTIONS AND TRANSFERS						
Development fees	3,950,040	-	-	-	3,950,040	-
Capital contributions	6,225,357	-	-	-	6,225,357	-
Transfers in	46,059	-	-	423,963	470,022	1,868,755
Transfers out	(4,083,414)	(742,121)	(347,401)	-	(5,172,936)	(24,000)
Total capital contributions and transfers	6,138,042	(742,121)	(347,401)	423,963	5,472,483	1,844,755
CHANGE IN NET POSITION	5,989,418	149,478	64,634	264,394	6,467,924	4,663,082
NET POSITION, BEGINNING OF YEAR	141,140,483	3,669,082	1,665,587	10,045	146,485,197	27,221,073
NET POSITION, END OF YEAR	$ 147,129,901	$ 3,818,560	$ 1,730,221	$ 274,439	$ 152,953,121	$ 31,884,155

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS **EXHIBIT 10**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Amounts reported for business-type activities in the statement of activities are different because:	
Net change in fund net position- total proprietary funds	$ 6,467,924
Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.	
The net expenses of certain activities of internal service funds is allocated to business-type activities.	209,167
Change in net position of business-type activities	$ 6,677,091

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS **EXHIBIT 11**
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	WATER AND SEWER	SOLID WASTE	DRAINAGE	GOLF COURSE	TOTAL	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 41,021,566	$ 7,132,108	$ 1,785,800	$ 3,174,613	$ 53,114,087	$ -
Cash received from transactions with other funds	-	-	-	-	-	17,833,455
Cash paid to employees for services	(5,447,620)	(671,644)	(671,049)	(1,638,544)	(8,428,857)	(363,946)
Cash paid for goods and services	(32,003,787)	(5,635,555)	(633,578)	(1,411,515)	(39,684,435)	(1,235,311)
Cash paid for claims	-	-	-	-	-	(11,982,548)
Net cash provided by operating activities	3,570,159	824,909	481,173	124,554	5,000,795	4,251,650
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	46,059	-	-	423,963	470,022	1,868,755
Transfers out to other funds	(4,083,414)	(742,121)	(347,401)	-	(5,172,936)	(24,000)
Net cash provided by (used in) non-capital financing activities	(4,037,355)	(742,121)	(347,401)	423,963	(4,702,914)	1,844,755
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on revenue bond maturities	(1,360,000)	-	-	-	(1,360,000)	-
Interest and fees paid on long-term debt	(483,788)	-	-	-	(483,788)	-
Acquisition and construction of capital assets	(5,440,898)	-	-	(19,291)	(5,460,189)	(3,221,881)
Proceeds from sale of capital assets	-	-	-	-	-	207,464
Capital lease payments	-	-	-	(150,209)	(150,209)	-
Proceeds from debt issuance	4,211,275	-	-	-	4,211,275	-
Contributions from developers	3,950,040	-	-	-	3,950,040	-
Net cash provided by (used in) capital and related financing activities	876,629	-	-	(169,500)	707,129	(3,014,417)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(3,492,544)	(779,232)	(72,288)	-	(4,344,064)	(3,925,656)
Interest on investments	1,112,424	94,164	39,852	-	1,246,440	667,054
Net cash used in investing activities	(2,380,120)	(685,068)	(32,436)	-	(3,097,624)	(3,258,602)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,970,687)	(602,280)	101,336	379,017	(2,092,614)	(176,614)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,669,117	950,309	328,409	831,137	15,778,972	4,111,967
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 11,698,430	$ 348,029	$ 429,745	$ 1,210,154	$ 13,686,358	$ 3,935,353
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Net operating income (loss)	$ (766,287)	$ 794,888	$ 371,376	$ (159,569)	$ 240,408	$ 2,222,624
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	6,033,952	15,293	61,285	164,012	6,274,542	2,203,795
Change in assets and liabilities:						
Accounts receivable	(2,402,742)	89,183	17,490	(3,795)	(2,299,864)	(167,308)
Prepaids	-	-	-	5,050	5,050	(184,996)
Inventories	(49,786)	-	-	-	(49,786)	-
Deferred outflows - pension	(635,548)	(82,737)	(84,557)	(191,483)	(994,325)	-
Deferred outflows - OPEB	(7,145)	(904)	(860)	(2,114)	(11,023)	-
Accounts payable	1,346,834	(102,993)	(3,030)	64,358	1,305,169	177,535
Accrued liabilities	44,962	16,624	8,442	(424)	69,604	-
Net OPEB liability	9,146	1,157	1,100	2,706	14,109	-
Net pension liability	1,162,709	147,046	139,897	343,958	1,793,610	-
Compensated absences	(52,831)	(12,598)	10,577	15,637	(39,215)	-
Deposits	(753,931)	-	-	(5,154)	(759,085)	-
Deferred inflows - pension	(364,444)	(40,717)	(41,181)	(110,187)	(556,529)	-
Deferred inflows - OPEB	5,270	667	634	1,559	8,130	-
Total adjustments	4,336,446	30,021	109,797	284,123	4,760,387	2,029,026
Net cash provided by operating activities	$ 3,570,159	$ 824,909	$ 481,173	$ 124,554	$ 5,000,795	$ 4,251,650
NON-CASH INVESTING ACTIVITIES:						
Change in the fair value of investments	$ 357,398	$ 33,504	$ 13,409	$ -	$ 404,311	$ 251,629
NON-CASH FINANCING ACTIVITIES:						
Contributions of capital assets from developers	$ 6,225,357	$ -	$ -	$ -	$ 6,225,357	$ -
Reconciliation of total cash to the statement of net position						
Cash and cash equivalents - current	$ 9,993,068	$ 348,029	$ 429,745	$ 1,210,154	$ 11,980,996	$ 3,935,353
Restricted cash and cash equivalents	1,705,362	-	-	-	1,705,362	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 11,698,430	$ 348,029	$ 429,745	$ 1,210,154	$ 13,686,358	$ 3,935,353

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS **EXHIBIT 12**
STATEMENT OF NET POSITION
COMPONENT UNITS
SEPTEMBER 30, 2019

	ALLEN ECONOMIC DEVELOPMENT CORPORATION	ALLEN COMMUNITY DEVELOPMENT CORPORATION	TOTALS
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 1,374,770	$ 2,018,976	$ 3,393,746
Investments	5,309,577	13,479,968	18,789,545
Sales tax receivable	1,825,969	1,825,969	3,651,938
Accounts receivable	562,185	-	562,185
Accrued interest receivable	27,175	63,363	90,538
Total current assets	9,099,676	17,388,276	26,487,952
NONCURRENT ASSETS			
CAPITAL ASSETS			
Land	18,309,096	2,239,201	20,548,297
Construction in progress	-	3,818,707	3,818,707
Buildings	1,004,091	36,225,091	37,229,182
Machine & equipment	-	2,926,235	2,926,235
Vehicles	-	874,339	874,339
Improvements other than buildings	-	33,863,285	33,863,285
Total capital assets	19,313,187	79,946,858	99,260,045
Less: accumulated depreciation	(25,102)	(29,255,728)	(29,280,830)
Capital assets, net of accumulated depreciation	19,288,085	50,691,130	69,979,215
Total noncurrent assets	19,288,085	50,691,130	69,979,215
TOTAL ASSETS	28,387,761	68,079,406	96,467,167
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	430,136	486,080	916,216
TOTAL DEFERRED OUTFLOWS OF RESOURCES	430,136	486,080	916,216
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	197,302	201,691	398,993
Retainage payable	-	110,000	110,000
Accrued interest payable	51,116	54,541	105,657
Accrued and other liabilities	614,377	-	614,377
Current portion of long-term debt	3,302,998	1,755,000	5,057,998
Total current liabilities	4,165,793	2,121,232	6,287,025
NONCURRENT LIABILITIES			
Noncurrent portion of long-term debt	10,295,307	24,315,000	34,610,307
Total noncurrent liabilities	10,295,307	24,315,000	34,610,307
TOTAL LIABILITIES	14,461,100	26,436,232	40,897,332
NET POSITION			
Net investment in capital assets	18,153,221	25,107,210	43,260,431
Restricted for debt service	283,648	226,223	509,871
Unrestricted (deficit)	(4,080,072)	16,795,821	12,715,749
TOTAL NET POSITION	$ 14,356,797	$ 42,129,254	$ 56,486,051

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS **EXHIBIT 13**
STATEMENT OF ACIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: COMPONENT UNITS: ALLEN ECONOMIC DEVELOPMENT CORPORATION	Net (Expense) Revenue and Changes in Net Position: COMPONENT UNITS: ALLEN COMMUNITY DEVELOPMENT CORPORATION	TOTALS
COMPONENT UNITS						
Allen Economic Development Corporation	$ 8,256,674	$ -	$ -	$ (8,256,674)	$ -	$ (8,256,674)
Allen Community Development Corporation	5,727,497	-	-	-	(5,727,497)	(5,727,497)
TOTAL COMPONENT UNITS	$ 13,984,171	$ -	$ -	$ (8,256,674)	$ (5,727,497)	$ (13,984,171)
General revenues:						
Sales taxes				$ 10,602,827	$ 10,602,827	$ 21,205,654
Interest on investments				333,724	459,937	793,661
Gain on disposition of capital assets				1,426,630	-	1,426,630
Miscellaneous				30,899	-	30,899
Total general revenues				12,394,080	11,062,764	23,456,844
CHANGE IN NET POSITION				4,137,406	5,335,267	9,472,673
NET POSITION, beginning of year				10,219,391	36,793,987	47,013,378
NET POSITION, end of year				$ 14,356,797	$ 42,129,254	$ 56,486,051

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN, TEXAS **EXHIBIT 14**
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2019

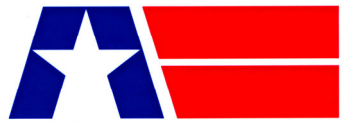
	OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
ASSETS	
CURRENT ASSETS	
Cash and deposits	$ 130,464
Investments:	
Domestic Equities	334,511
Fixed Income	1,006,366
Private Equity	78,783
Real Estate	25,526
Total current assets	1,575,650
TOTAL ASSETS	1,575,650
NET POSITION	
Restricted for postemployment benefits other than pensions	1,575,650
TOTAL NET POSITION	$ 1,575,650

The Notes to Financial Statements are an integral part of this statement.

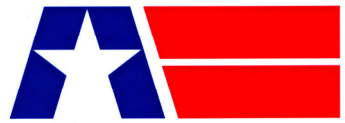
CITY OF ALLEN, TEXAS **EXHIBIT 15**
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
ADDITIONS	
Investment Income:	
Net increase in fair value of investments	$ 66,177
Net Investment Income	66,177
TOTAL ADDITIONS	66,177
DEDUCTIONS	
Benefit payments	142,438
Administrative expense	8,119
TOTAL DEDUCTIONS	150,557
CHANGE IN NET POSITION	(84,380)
NET POSITION, BEGINNING OF YEAR	1,660,030
NET POSITION, END OF YEAR	$ 1,575,650

The Notes to Financial Statements are an integral part of this statement.


CITY OF ALLEN

NOTES TO FINANCIAL STATEMENTS


CITY OF ALLEN

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The City of Allen (the City) was incorporated in 1953, under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925. In 1979, the City adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units.* The more significant accounting policies of the City are described below.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the City include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government can impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. The following entities were found to be component units of the City and are included in the basic financial statements:

Allen Economic Development Corporation (AEDC) - The AEDC is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) - The ACDC is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity – Continued

The members of both the AEDC's and ACDC's Boards of Directors are appointed by the City Council. Both the AEDC and ACDC are fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. However, the component units do not qualify for blending because the component services directly benefit the community rather than the City itself. The AEDC and ACDC are discretely presented as governmental fund types and do not issue separate financial statements.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements; all nonmajor funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The City has presented the following major governmental funds:

General Fund -

The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund -

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

General Capital Projects Fund -

The General Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds and not accounted for by another capital projects fund.

General Obligation Bond Capital Projects Fund -

To account for financing, acquisitions, and construction of improvements to City facilities and infrastructure not accounted for by other bond funds.

Business-type activities and all Proprietary Funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods relating to a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City reports the following major proprietary funds:

Enterprise Funds:

Water and Sewer Fund -

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities for the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Solid Waste Fund -

The Solid Waste Fund is used to account for the provision of solid waste services to residents of the City.

Drainage Fund -

The Drainage Fund is used to account for the provision of developing and maintaining proper drainage services to the residents of the City.

Golf Course Fund -

The Golf Course Fund is used to account for activities associated with the operations of The Courses at Watters Creek Golf Course purchased by the City in October 2004.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

Additionally, the City reports the following Internal Service Funds:

Internal Service Funds:

Replacement Fund -

The Replacement Fund is an internal service fund that accounts for the costs associated with the acquisition and replacement of vehicles, machinery, and equipment through the rental of such items to other departments.

Risk Management Fund -

The Risk Management Fund accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

Facility Maintenance Fund -

The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

Fiduciary Fund –

The City's Fiduciary Funds are used to hold assets for the benefit of third parties (pension participants) and cannot be used to address activities or obligations of the primary government. These funds are not incorporated into the government-wide financial statements. The City's fiduciary fund accounts for the assets of the postemployment benefits trust.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements, fund financial statements for proprietary funds, and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting – Continued

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The revenues susceptible to accrual are property and sales taxes, franchise taxes and interest income. Other receipts (special assessments) become measurable and available when cash is received by the City and are recognized as revenue at that time.

Cash, Cash Equivalents, and Investments

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury, investment pools consisting of such U.S. Treasury obligations, repurchase agreements, commercial paper and mutual funds. Substantially all operating cash and cash equivalents are maintained in pooled cash and time deposit accounts. Interest income relating to pooled deposits is allocated to the individual funds based on each fund's pro rata share of total pooled deposits.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents, as they are available for withdrawal on demand. Investments are recorded at amortized cost when original maturity at the time of purchase is less than one year or at market if greater than one year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Under the City's budgetary process, appropriations lapse at fiscal year-end. Encumbrances are reported as assigned fund balance because they do not constitute expenditures or liabilities.

Property Taxes

The City's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and certain personal property located within the City. Appraised values are established by Collin County Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the 2018 levy was based is $13,284,616,133. Taxes are due on October 1st and are delinquent after the following January 31st. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2019, was $0.4980 per $100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district based on 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective maintenance and operations tax rate, increased by 8% excluding other contractual obligations, adjusted for new improvements, plus the calculated debt tax rate is less than the proposed city tax rate, then qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than the rollback tax rate.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds and Between Funds and Component Units

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except transactions between the component units and the primary government are recorded as transfers.

Transactions between the component units and the primary government are accounted for as external transactions (revenues and expenses). During the fiscal year ended September 30, 2019, ACDC contributed $446,307 and AEDC contributed $101,889 to the General Fund for administrative costs and for the Allen U.S.A. Celebration. These revenues were reflected as grants and contributions for the primary government in the government-wide statement of activities.

Inventories and Prepaid Items

Inventories are valued at cost using the average cost method. The inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will provide benefit in subsequent fiscal periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported as non-spendable fund balance in the governmental funds in the fund financial statements to signify that a portion of fund balance is not available for other subsequent expenditures. The consumption method is used in the fund financial statements.

Special Assessments

The City has the authority to make special assessments to property owners as part of the financing of capital improvements. Such assessments are recorded in the capital projects fund as receivables when assessed and are recognized as revenue when both the measurable and available criteria have been met (generally when collected).

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset lives are not capitalized. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets - Continued

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	15 - 40 Years
Towers, tanks, and pump stations	30 Years
Infrastructure	10 - 50 Years
Machinery and equipment	3 - 15 Years
Vehicles	2 - 15 years
Library books	5 Years
Furniture and fixture	5 Years
Other improvements	2 - 30 Years

The City has established the Replacement Fund to account for the replacement of the City-owned vehicle, machinery, and equipment. Charges for use in the form of user payments are made by City departments to the Replacement Fund to provide for future acquisitions and replacements.

Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until paid upon retirement or termination. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of vacation pay and sick leave based upon the years of service. Accumulated vacation and sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and the additions to/deductions from the City's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the City's Other Postemployment Benefit Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments are reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference between expected and actual pension experience – This difference is deferred and amortized over a closed period of 5.49 years.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. In the statement of net position, the City reports the difference in expected and actual pension experience and the changes in actuarial assumptions. These are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date. In the balance sheet for the governmental funds, the City reports unavailable revenue for property taxes not received within 60 days of year end.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows and outflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The City classifies governmental fund balances as follows:

Non-spendable -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long-term receivables.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance – Continued

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, construction programs, and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision-making authority. Committed fund balance is reported pursuant to resolution passed by the City Council.

Assigned -- includes fund balance amounts that are self-imposed by the City to be used for a particular purpose. Fund balance can be assigned by the City Manager or the Chief Financial Officer. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Minimum General Fund Unassigned Fund Balance - It is the goal of the City to achieve and maintain an unassigned General Fund balance that is within a range of 60 to 90 days of annual expenditures. If unassigned General Fund balance falls below the goal or has a deficiency, the City will establish a timeframe and work plan to replenish the fund balance. The work plan may include tax increases, fee increases, reduction of services, and/or reduction of expenditures (i.e. hiring freeze, salary freeze, or reduction of travel/training).

NOTE 2. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES

Deposits – State statutes require that all deposits be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits.

The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2019, with collateral required by state statutes. At year's end, the carrying amount of the City's deposits was $2,278,911, and the bank balance was $2,355,541. Of the bank balance, federal depository insurance covered $250,000 and the remainder was covered by collateral held by the pledging financial institution's agent in the City's name. The City's petty cash balance at September 30, 2019, was $45,851.

The carrying amount of deposits for ACDC and AEDC, discretely presented component units, were $296,414 and $449,265, respectively, with no corresponding bank balances as they are pooled with the City's deposits. AEDC's petty cash balance at September 30, 2019, was $100.

NOTE 2. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES – CONTINUED

Investments – State statutes authorize the City to invest in U.S. Government obligations, obligations of Texas and its agencies and fully collateralized repurchase agreements. The City, AEDC and ACDC invest in TexPool which is an investment fund authorized by the Texas Legislature and administered by the Texas State Treasury. The Texas Treasury Safekeeping Trust Company is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code. The purpose of TexPool is to allow for the pooling of public funds to provide a higher yield on the pooled investment than would be possible with the investment of the individual public entity's funds. TexPool investments are subject to the same investment policies maintained by the State Treasury for all state funds. The Legislature has authorized only certain investment instruments for public funds, including repurchase agreements, U.S. Treasury bills and bonds, securities of other U.S. Government agencies, commercial paper and other safe instruments.

The *Public Funds Investment Act* (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, the *Public Funds Investment Act* requires the City to adopt, implement, and publicize an investment policy. In compliance with the *Public Funds Investment Act,* the City has adopted a deposit and investment policy. The table below identifies the investment types that are authorized for the City under Government Code Chapter 2256. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Investment in One Issuer
Certificates of Deposit	5 years	None
Repurchase Agreements	5 years	None
U. S. Treasure Obligations	5 years	None
Municipal Investment Pool	5 years	None
Commercial Bank Savings Account	5 years	None
Money Market Mutual Fund	5 years	None
U. S. Government Securities (non-callable)	5 years	None
U. S. Government Securities (callable)	5 years	None
U. S. Government Sponsored Corp.	5 years	None
Instruments: non-callable		
U. S. Government Sponsored Corp.	5 years	None
Instruments: callable		
Commercial Paper	5 years	None
Bankers' Acceptance	5 years	None
Guaranteed Investment Contracts	5 years	None
State or Local Governmental Obligations	5 years	None

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input that is significant to the entire measurement.

NOTE 2. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES – CONTINUED

The City's investments are measured as presented in the table below. The City's investment balances, weighted average maturity, and credit risk of such investments are as follows:

Investment Type	Primary Government	AEDC	ACDC	Other Postemployment Benefits Trust	Total September 30, 2019	Significant Other Observable Inputs (Level 2)	% of Total Government-wide Investments	Weighted Avg. Maturity (Years)	Credit Rating
Government-wide:									
Investments Measured at Amortized Cost:									
TexPool	$ 1,908,484	$ 925,405	$ 1,722,562	$ -	$ 4,556,451	$ -	2.55%	0.09	AAAm
TexSTAR	3,141,588	-	-	-	3,141,588	-	1.76%	0.06	AAAm
Investments Measured at NAV:									
Money Market Accounts	1,614,224	-	-	-	1,614,224	-	0.90%	0.07	AAAm
Texas CLASS	19,870,551	-	-	-	19,870,551	-	11.13%	0.14	AAAm
Investments Measured at Cost:									
Certificates of Deposit	18,836,227	759,634	1,771,185	-	21,367,046	-	11.97%	1.58	n/a
Investments Subject to Fair Value:									
U.S. Agencies	41,099,740	1,657,485	3,864,641	-	46,621,866	46,621,866	26.11%	1.66	AA+
Certificates of Deposit	13,068,113	527,015	1,228,805	-	14,823,933	14,823,933	8.30%	2.80	n/a
Commercial Paper	900,327	35,544	63,911	-	999,782	999,782	0.56%	0.00	A1, P1
Municipal Bonds	56,654,252	2,329,899	6,551,426	-	65,535,577	65,535,577	36.71%	1.24	A to AAA
PARS OPEB Trust Program:									
Domestic Equities	-	-	-	334,511	334,511	-			
Fixed Income	-	-	-	1,006,368	1,006,368	-			
Private Equity	-	-	-	78,783	78,783	-			
Real Estate	-	-	-	25,526	25,526	-			
Total Government-wide Plus PARS OPEB Trust	$ 157,093,506	$ 6,234,982	$ 15,202,530	$ 1,445,188	$ 179,976,206	$ 127,981,158			

Investment pools, money markets, certificates of deposits (Level 1), and domestic equities are measured at amortized cost, net asset value, or cost; are valued using prices quoted in active markets for those securities; and are not required to be reported by levels in the table.

Investments in U.S. Agencies securities, certificates of deposits (Level 2), commercial paper, and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique in accordance with pricing sources by the custodian bank. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of $1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and TexSTAR have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

TexPool is an external investment pool measured at amortized cost. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TexSTAR is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of enough liquidity to meet participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of $1.00 per share. TexSTAR uses amortized costs rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexSTAR is the same as the value of TexSTAR's shares.

NOTE 2. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES – CONTINUED

Texas CLASS (Texas Cooperative Liquid Assets Security System) is an external investment pool measured at its net asset value. Texas CLASS' strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. Authority over the investment pool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. Texas CLASS was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Government Code Chapter 2256. The fund is administered by Public Trust Advisors, LLC and is rated AAAm by Standard & Poor's Rating Services.

Investments in the Other Postemployment Benefit Trust Program (the "Trust") are held by a bank trust department separate from the City's cash and investments. The City has contracted with Public Agency Retirement Services (PARS) to manage the investment portfolio of the Trust Fund. The investments are subject to the policies and guidelines established by the committee members of the Trust.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. The City manages its exposure to market price changes by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to less than eighteen months, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and authorized investment pools.

Credit Risk

The City's Investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This type of risk is typically expressed in terms of the credit ratings issued by a nationally recognized statistical rating organization. The City reduces the risk of issuer default by limiting investments to those instruments allowed by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The City's investments in U.S. Agency securities (FFCB, FHLB, FHLMC, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The City's investments in municipal bonds are rated AA- by Standard and Poor's and Aa3 by Moody's Investors Service. Investments in TexPool, TexSTAR, Texas CLASS, and money market accounts carried a credit rating of AAAm by Standard & Poor's as of September 30, 2019.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy controls concentration of credit risk by limiting the amount of investment with a single issuer to no more than 35% of the total portfolio except for State approved investment pools and U.S. Government Securities. As of September 30, 2019, apart from funds invested in TexPool, TexSTAR, or Texas CLASS, the following table represents 5% or more of the City's investments.

NOTE 2. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES – CONTINUED

Concentration of Credit Risk - Continued

Issuer	Investment Type	Reported Amount	Percentage
FNMA	Federal agency securities	$ 9,125,481	5.11%
FFCB	Federal agency securities	10,483,301	5.87%
FHLB	Federal agency securities	18,000,603	10.08%
FHLMC	Federal agency securities	9,012,481	5.05%

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy minimizes custodial credit risk by requiring pledged securities to be in the name of the City.

The Public Funds Investment Act does require that financial institutions secure deposits made by state or local governmental bodies by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities of the collateral must always remain at least equivalent to the bank balance less the FDIC insurance.

As of September 30, 2019, the City's deposits with financial institutions above the federal depository limits were fully collateralized.

NOTE 3. RECEIVABLES

Receivables at September 30, 2019, for both governmental and business-type activities, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Sales Taxes	Accrued Accounts	Interest	Other	Total
General Fund	$ 580,112	$ 3,769,763	$ 330,448	$ 222,606	$ 4,903,688	$ 9,806,617
Debt Service	106,136	-	-	-	-	106,136
General Capital Projects	-	-	-	115,935	312,683	428,618
G.O. Bond Fund	-	-	-	79,673	15,600	95,273
Nonmajor Governmental Funds	-	-	326,355	38,703	-	365,058
Water and Sewer Fund	-	-	9,763,734	115,260	469,712	10,348,706
Solid Waste Fund	-	-	843,233	11,359	143,082	997,674
Drainage Fund	-	-	249,220	4,548	407	254,175
Golf Course Fund	-	-	10,249	-	100	10,349
Internal Service Funds	-	-	190,044	85,436	-	275,480
Gross Receivables	686,248	3,769,763	11,713,283	673,520	5,845,272	22,688,086
Less: Allowance for Uncollectibles	(512,616)	-	(171,475)	-	(1,951,465)	(2,635,556)
Total Net Receivables, Primary Government	$ 173,632	$ 3,769,763	$ 11,541,808	$ 673,520	$ 3,893,807	$ 20,052,530
Component Units	$ -	$ 3,651,938	$ 562,185	$ 90,538	$ -	$ 4,304,661

The Water and Sewer Fund, Solid Waste Fund, and Drainage Fund accounts receivable include unbilled charges for services rendered through September 30, 2019.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

Governmental Activities

	Balance September 30, 2018	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2018
Governmental Funds:-					
General capital assets not being depreciated:					
Land and land improvements	$ 143,531,148	$ 5,084,547	$ -	$ -	$ 148,615,695
Construction in progress	18,293,075	10,424,349	-	(6,776,821)	21,940,603
Total capital assets not being depreciated	161,824,223	15,508,896	-	(6,776,821)	170,556,298
General capital assets being depreciated:					
Buildings	101,175,168	-	-	-	101,175,168
Improvements other than buildings	510,198,454	14,661,400	(4,252,618)	6,776,821	527,384,057
Furniture and fixtures	7,278,895	56,001	(2,689,003)	-	4,645,893
Vehicles	2,117,112	86,374	(500,867)	-	1,702,619
Library books	730,141		(222,702)	-	507,439
Machinery and equipment	9,131,863	828,802	(1,455,741)	-	8,504,924
Total capital assets being depreciated	630,631,633	15,632,577	(9,120,931)	6,776,821	643,920,100
Less accumulated depreciation for:					
Buildings	(30,971,099)	(2,566,082)	-	-	(33,537,181)
Improvements other than buildings	(297,623,146)	(18,097,907)	4,252,618	-	(311,468,435)
Furniture and fixtures	(7,212,781)	(9,660)	2,689,003	-	(4,533,438)
Vehicles	(1,440,789)	(186,397)	477,535	-	(1,149,651)
Library books	(626,678)	(77,104)	222,702	-	(481,080)
Machinery and equipment	(8,203,297)	(308,863)	1,455,741	-	(7,056,419)
Total accumulated depreciation	(346,077,790)	(21,246,013)	9,097,599	-	(358,226,204)
Total general capital assets being depreciated, net	284,553,843	(5,613,436)	(23,332)	6,776,821	285,693,896
General capital assets, net	$ 446,378,066	$ 9,895,460	$ (23,332)	$ -	$ 456,250,194

NOTE 4. CAPITAL ASSETS – CONTINUED

	Balance September 30, 2018	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2019
Internal Service Funds:					
Internal service funds assets not being depreciated:					
Construction in progress	$ 352,367	$ -	$ -	$ (352,367)	$ -
Total capital assets not being depreciated	352,367	-	-	(352,367)	-
Internal service funds assets being depreciated:					
Vehicles	14,440,981	3,216,381	(1,660,875)	352,367	16,348,854
Machinery and equipment	6,004,332	5,500	(201,427)	-	5,808,405
Total internal service assets being depreciated	20,445,313	3,221,881	(1,862,302)	352,367	22,157,259
Less accumulated depreciation for:					
Vehicles	(8,575,836)	(1,713,682)	1,352,041	-	(8,937,477)
Machinery and equipment	(3,240,394)	(490,113)	201,427	-	(3,529,080)
Total accumulated depreciation	(11,816,230)	(2,203,795)	1,553,468	-	(12,466,557)
Total Internal service funds capital assets being depreciated, net	8,629,083	1,018,086	(308,834)	352,367	9,690,702
Total Internal service funds capital assets, net	8,981,450	1,018,086	(308,834)	-	9,690,702
Governmental activities capital assets, net	$ 455,359,516	$ 10,913,546	$ (332,166)	$ -	$ 465,940,896

Business-Type Activities

	Balance September 30, 2018	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2019
Water and Sewer Activities:					
Capital assets not being depreciated:					
Land	$ 4,072,882	$ 14,503	$ -	$ -	$ 4,087,385
Construction in progress	3,688,178	5,310,939	-	(570,762)	8,428,355
Total capital assets not being depreciated	7,761,060	5,325,442	-	(570,762)	12,515,740
Capital Assets Being depreciated:					
Towers, tanks, & pumps stations	201,770,563	6,225,357	(174,418)	570,762	208,392,264
Machinery and equipment	3,893,589	63,560	(390,818)	-	3,566,331
Vehicles	947,953	51,894	(164,184)	-	835,663
Total capital assets being depreciated	206,612,105	6,340,811	(729,420)	570,762	212,794,258
Less accumulated depreciation for:					
Towers, tanks, & pumps stations	(94,046,207)	(5,650,930)	174,418	-	(99,522,719)
Machinery and equipment	(2,736,891)	(342,177)	390,818	-	(2,688,250)
Vehicles	(765,592)	(40,845)	164,184	-	(642,253)
Total accumulated depreciation	(97,548,690)	(6,033,952)	729,420	-	(102,853,222)
Total capital assets being depreciated, net	109,063,415	306,859	-	570,762	109,941,036
Water and sewer activities capital assets, net	$ 116,824,475	$ 5,632,301	$ -	$ -	$ 122,456,776

NOTE 4. CAPITAL ASSETS – CONTINUED

	Balance September 30, 2018	Additions	Dispositions	Balance September 30, 2019
Solid Waste Activities:				
Capital assets being depreciated:				
Machinery and equipment	$ 12,359	$ -	$ -	$ 12,359
Vehicles	140,440	-	-	140,440
Total capital assets being depreciated	152,799	-	-	152,799
Less accumulated depreciation for:				
Machinery and equipment	(10,486)	(1,249)	-	(11,735)
Vehicles	(35,110)	(14,044)	-	(49,154)
Total accumulated depreciation	(45,596)	(15,293)	-	(60,889)
Solid waste activities capital assets, net	$ 107,203	$ (15,293)	$ -	$ 91,910
Drainage Activities:				
Capital assets being depreciated:				
Other improvements	$ 496,132	$ -	$ -	$ 496,132
Vehicles	151,554	-	-	151,554
Machinery and equipment	573,537	-	-	573,537
Total capital assets being depreciated	1,221,223	-	-	1,221,223
Less accumulated depreciation for:				
Other improvements	(190,093)	(12,264)	-	(202,357)
Vehicles	(50,502)	(13,473)	-	(63,975)
Machinery and equipment	(378,066)	(35,548)	-	(413,614)
Total accumulated depreciation	(618,661)	(61,285)	-	(679,946)
Drainage activities capital assets, net	$ 602,562	$ (61,285)	$ -	$ 541,277
Golf Course Activities:				
Capital assets being depreciated:				
Machinery and equipment	$ 1,429,490	$ 19,291	$ -	$ 1,448,781
Total capital assets being depreciated	1,429,490	19,291	-	1,448,781
Less accumulated depreciation for:				
Machinery and equipment	(745,329)	(164,012)	-	(909,341)
Total accumulated depreciation	(745,329)	(164,012)	-	(909,341)
Golf course activities capital assets, net	684,161	(144,721)	-	539,440
Business-type activities capital assets, net	$118,218,401	$ 5,411,002	$ -	$ 123,629,403

NOTE 4. CAPITAL ASSETS – CONTINUED

	Balance September 30, 2018	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2019
Economic Development Corporation:					
Capital assets not being depreciated:					
Land and Land Improvements	$ 14,621,471	$ 4,810,039	$ (1,122,414)	$ -	$ 18,309,096
Total capital assets not being depreciated	14,621,471	4,810,039	(1,122,414)	-	18,309,096
Capital assets being depreciated:					
Buildings	-	1,004,091	-	-	1,004,091
Total capital assets being depreciated	-	1,004,091	-	-	1,004,091
Less accumulated depreciation for:					
Buildings	-	(25,102)	-	-	(25,102)
Total accumulated depreciation	-	(25,102)	-	-	(25,102)
Total capital assets being depreciated, net	-	978,989	-	-	978,989
Economic Development Corporation capital assets, net	$ 14,621,471	$ 5,789,028	$ (1,122,414)	$ -	$ 19,288,085
Community Development Corporation:					
Capital assets not being depreciated:					
Land and Land Improvements	$ 2,239,201	$ -	$ -	$ -	$ 2,239,201
Construction in progress	3,757,489	61,218	-	-	3,818,707
Total capital assets not being depreciated	5,996,690	61,218	-	-	6,057,908
Capital assets being depreciated:					
Buildings	36,225,091	-	-	-	36,225,091
Machine & Equipment	2,484,221	523,207	(81,193)	-	2,926,235
Improvements other than buildings	33,977,616	-	(114,331)	-	33,863,285
Furniture and fixtures	317,194	-	(317,194)	-	-
Vehicles	734,305	140,034	-	-	874,339
Total capital assets being depreciated	73,738,427	663,241	(512,718)	-	73,888,950
Less accumulated depreciation for:					
Buildings	(7,943,643)	(913,927)	81,193	-	(8,776,377)
Machine & Equipment	(1,811,531)	(245,411)	114,331	-	(1,942,611)
Improvements other than buildings	(15,806,540)	(2,055,768)	317,194	-	(17,545,114)
Furniture and fixtures	(317,194)	-	-	-	(317,194)
Vehicles	(635,364)	(39,068)	-	-	(674,432)
Total accumulated depreciation	(26,514,272)	(3,254,174)	512,718	-	(29,255,728)
Total capital assets being depreciated, net	47,224,155	(2,590,933)	-	-	44,633,222
Community Development Corporation capital assets, net	53,220,845	(2,529,715)	-	-	50,691,130
Component units capital assets, net	$ 67,842,316	$ 3,259,313	$ (1,122,414)	$ -	$ 69,979,215

NOTE 4. CAPITAL ASSETS – CONTINUED

Depreciation expense was charged as direct expense to programs of the primary government and component units as follows:

Governmental activities:		
General government	$	1,157,325
Public safety		873,914
Public works		15,868,081
Culture and recreation		3,332,818
Community development		13,875
Total depreciation expense - General capital assets		21,246,013
Internal Service Funds		2,203,795
Total depreciation expense - Governmental activities	$	23,449,808
Business-type activities:		
Water and sewer	$	6,033,952
Solid waste		15,293
Drainage utility		61,285
Golf course		164,012
Total depreciation expense - Business-type activities	$	6,274,542
Component units:		
Allen Economic Development Corporation	$	25,102
Allen Community Development Corporation		3,254,174
Total depreciation expense - Component units	$	3,279,276

Outstanding commitments at September 30, 2019, under authorized construction contracts totaled $3,318,823. These outstanding commitments for capital projects will be funded from unexpended bond proceeds and additional general obligation bonds.

NOTE 5. LONG-TERM DEBT

At September 30, 2019, bonds payable consisted of the following individual issues:

General Obligation Bonds:		
$1,595,000 Series 2006 Bonds due in annual installments of $50,000 to $115,000 through August 15, 2026; interest at 4.0% to 4.2%.	$	710,000
$12,000,000 Series 2010 Bonds due in annual installments of $370,000 to $865,000 through August 15, 2029; interest at 2.0% to 4.0%.		7,295,000
$8,785,000 Series 2010A Refunding Bonds due in annual installments of $110,000 to $970,000 through August 15, 2022; interest at 2.0% to 3.0%.		2,820,000
$8,840,000 Series 2011 Refunding and Improvement Bonds due in annual installments of $255,000 to $795,000 through August 15, 2030; interest at 2.0% to 4.25%.		3,830,000
$13,865,000 Series 2012 Refunding and Improvement Bonds due in annual installments of $350,000 to $1,600,000 through August 15, 2024; interest at 2.0% to 5.0%.		7,140,000

NOTE 5. LONG-TERM DEBT – CONTINUED

General Obligation Bonds – continued

$5,065,000 Series 2013 Bonds due in annual installments of $190,000 to $340,000 through August 15, 2032; interest at 2.0% to 3.5%.	$ 3,725,000
$10,595,000 Series 2014 Bonds due in annual installments of $375,000 to $740,000 through August 15, 2033; interest at 2.0% to 4.0%.	8,360,000
$32,245,000 Series 2015 Refunding and Improvement Bonds due in annual installments of $160,000 to $3,605,000 through August 15, 2034; interest at 2.0% to 5.0%.	17,680,000
$6,910,000 Series 2016 Refunding Bonds due in annual installments of $775,000 to $1,000,000 through August 15, 2028; interest at 2.0% to 4.0%.	5,910,000
$11,845,000 Series 2017 Bonds due in annual installments of $645,000 to $1,130,000 through August 15, 2032; interest at 2.25% to 5.0%.	10,070,000
$8,355,000 Series 2018 Bonds due in annual installments of $400,000 to $725,000 through August 15, 2033; interest at 2.0% to 5.0%.	7,645,000
$8,630,000 Series 2019 Refunding and Improvement Bonds due in annual installments of $370,000 to $2,165,000 through August 15, 2034; interest at 2.5% to 4.0%.	8,630,000
Unamortized premium on general obligation bonds.	7,651,739
	$ 91,466,739

Tax Notes:

$2,600,000 Series 2019 Tax Notes due in annual installments of $855,000 to $880,000 through August 15, 2022; interest at the rate of 1.75%.	$ 2,600,000
	$ 2,600,000

Water and Sewer Revenue Bonds:

$3,370,000 Series 2013 Refunding Bonds due in installments of $90,000 to $385,000 through June 1, 2025; with interest at the rate of 2.0% to 3.0%.	$ 2,065,000
$1,280,000 Series 2014 Refunding Bonds due in installments of $105,000 to $265,000 through June 1, 2024; with interest at the rate of 2.1%.	585,000
$9,330,000 Series 2018 Bonds due in installments of $290,000 to $670,000 through June 1, 2038; with interest at the rate of 2.0% to 5.0%.	9,040,000
$3,845,000 Series 2019 Bonds due in installments of $150,000 to $265,000 through June 1, 2039; with interest at the rate of 2.0% to 4.0%.	3,845,000
Unamortized premium on water and sewer revenue bonds.	1,102,388
	$ 16,637,388

NOTE 5. LONG-TERM DEBT – CONTINUED

AEDC Sales Tax Revenue Bonds:

$11,810,000 Series 2017A Refunding Bonds due in annual installments of $880,000 to $1,335,000 through September 1, 2027; interest at 2.0% to 5.0%.	$ 9,080,000
$6,140,000 Series 2017B Sales Tax Revenue Bonds due in annual installments of $1,510,000 to $1,565,000 through September 1, 2020; interest at 1.25% to 2.3%.	1,565,000
Unamortized premium on AEDC sales tax revenue bonds.	992,689
	$ 11,637,689

AEDC Promissory Note:

$4,400,000 Promissory Note due in annual installments of $679,853 through June 11, 2022; interest at 2.00%.	$ 1,960,616
	$ 1,960,616

ACDC Sales Tax Revenue Bonds:

$31,235,000 Series 2016 Refunding Bonds due in annual installments of $1,715,000 to $3,825,000 through September 1, 2025; interest at 0.750% to 2.353%.	$ 26,070,000
	$ 26,070,000

The following is a summary of long-term debt transactions, including current portion, of the City for the year ended September 30, 2019:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	$ 86,785,000	$ 8,630,000	$ (11,600,000)	$ 83,815,000	$ 10,210,000
Tax notes	635,000	2,600,000	(635,000)	2,600,000	855,000
Capital lease payable	864,245	33,908	(822,162)	75,991	29,986
Premiums (discounts)	7,675,400	894,793	(918,454)	7,651,739	965,675
Compensated absences	6,368,701	4,142,287	(3,474,487)	7,036,501	3,639,476
Net OPEB liability	1,195,620	114,759	-	1,310,379	-
Net pension liability	19,444,403	14,588,349	-	34,032,752	-
Governmental activity long-term debt	$ 122,968,369	$ 31,004,096	$ (17,450,103)	$ 136,522,362	$ 15,700,137

NOTE 5. LONG-TERM DEBT – CONTINUED

The general fund has typically been used to liquidate the liability for compensated absences for governmental activities.

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Business-Type Activities					
Water and sewer revenue bonds	$ 13,050,000	$ 3,845,000	$ (1,360,000)	$ 15,535,000	$ 965,000
Capital lease payable	719,391	-	(150,209)	569,182	146,027
Premiums (discounts)	800,800	366,275	(64,687)	1,102,388	78,937
Net pension liability	2,396,197	1,793,610	-	4,189,807	-
Net OPEB liability	145,492	14,109	-	159,601	-
Compensated absences	786,209	398,125	(437,340)	746,994	460,877
Business-type activity long-term debt	$ 17,898,089	$ 6,417,119	$ (2,012,236)	$ 22,302,972	$ 1,650,841
Component Units					
Allen Community Development Corporation					
Sales tax revenue bonds	$ 27,805,000	$ -	$ (1,735,000)	$ 26,070,000	$ 1,755,000
ACDC long-term debt	$ 27,805,000	$ -	$ (1,735,000)	$ 26,070,000	$ 1,755,000
Allen Economic Development Corporation					
Sales tax revenue bonds	$ 13,120,000	$ -	$ (2,475,000)	$ 10,645,000	$ 2,530,000
Note payable	2,588,695	-	(628,079)	1,960,616	640,640
Premiums (discounts)	1,125,047	-	(132,358)	992,689	132,358
AEDC long-term debt	$ 16,833,742	$ -	$ (3,235,437)	$ 13,598,305	$ 3,302,998
Component units long-term debt	$ 44,638,742	$ -	$ (4,970,437)	$ 39,668,305	$ 5,057,998

Bond Issuances

On July 11, 2019, the City issued *City of Allen, Texas General Obligation Improvement and Refunding Bonds, Series 2019*, in the amount of $8,630,000, to make improvements to existing City facilities, streets, drainage, park and recreational facilities, public art projects, and public safety facilities; and to refund all future debt service payments of $1,708,501 related to the *City of Allen, Texas General Obligation Bonds, Series 2009.* Total bond proceeds in the amount of $9,524,792 include a premium of $894,792. Expenses incurred to deliver the Series 2019 bonds, including issuance costs, underwriter's discount, and agents' fees amounted to $157,274. The Series 2019 bonds incur an average cost over the life of the debt at a rate of 2.00%-4.00% and mature annually, with semi-annual interest payments.

The reacquisition price exceeded the net carrying amount of the old debt by $3,109. This amount is being netted against the new debt and amortized over the remaining life of the refunding Series 2009 bonds. The City refunded the series 2009 bonds to reduce its total debt service payments over two years by $49,857 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $34,098.

Also, on July 11, 2019, the City issued *City of Allen, Texas Waterworks and Sewer System Revenue Bonds, Series 2019*, in the amount of $3,845,000, to make improvements to the existing water and sewer systems of the City. The bonds incur an average cost over the life of the bonds at a rate of 2.00-4.00% and mature annually with semi-annual interest payments. The bonds will fully mature in 2039.

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations

The City intends to retire all its general long-term liabilities, plus accrued interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt, plus accrued interest, will be repaid from operating revenues of the Water and Sewer Fund. The annual aggregate maturities for each bond type for the years subsequent to September 30, 2019, are on the following pages.

General Obligation Bonds

Annual debt service requirements to maturity for general obligation bonds, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2020	$ 10,210,000	$ 3,271,477	$ 13,481,477
2021	7,760,000	2,852,364	10,612,364
2022	8,000,000	2,565,781	10,565,781
2023	7,255,000	2,308,936	9,563,936
2024	7,010,000	2,026,058	9,036,058
2025 - 2029	28,815,000	6,184,117	34,999,117
2030 - 2034	14,765,000	1,465,700	16,230,700
Total	$ 83,815,000	$ 20,674,433	$ 104,489,433

Tax Notes

Annual debt service requirements to maturity for the Tax Notes, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2020	$ 855,000	$ 43,731	$ 898,731
2021	865,000	30,538	895,538
2022	880,000	15,400	895,400
Total	$ 2,600,000	$ 89,669	$ 2,689,669

Waterworks and Sewer System Revenue Bonds

Revenue bonds debt service requirements to maturity, including interest, are as follows:

	Business-type Activities		
Fiscal Year Ending September 30	Principal	Interest	Total
2020	$ 965,000	$ 536,610	$ 1,501,610
2021	965,000	528,073	1,493,073
2022	975,000	505,169	1,480,169
2023	995,000	480,216	1,475,216
2024	1,040,000	454,758	1,494,758
2025 - 2029	3,205,000	1,917,250	5,122,250
2030 - 2034	3,635,000	1,214,300	4,849,300
2035 - 2039	3,755,000	409,000	4,164,000
Total	$ 15,535,000	$ 6,045,376	$ 21,580,376

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations – Continued

AEDC Sales Tax and Revenue Bonds

Sales Tax Revenue bond debt service requirements to maturity, including interest, are as follows:

	AEDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2020	$ 2,530,000	$ 470,295	$ 3,000,295
2021	1,005,000	395,700	1,400,700
2022	1,045,000	355,500	1,400,500
2023	1,100,000	303,250	1,403,250
2024	1,150,000	248,250	1,398,250
2025 - 2027	3,815,000	387,750	4,202,750
Total	$ 10,645,000	$ 2,160,745	$ 12,805,745

ACDC Sales Tax and Revenue Bonds

Sales Tax Revenue bond debt service requirements to maturity, including interest, are as follows

	ACDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2020	$ 1,755,000	$ 654,489	$ 2,409,489
2021	1,785,000	626,866	2,411,866
2022	1,815,000	595,735	2,410,735
2023	1,850,000	560,560	2,410,560
2024	1,890,000	521,193	2,411,193
2025 - 2029	10,170,000	1,890,383	12,060,383
2030 - 2032	6,805,000	427,030	7,232,030
Total	$ 26,070,000	$ 5,276,256	$ 31,346,256

AEDC Note Payable

The note payable debt service requirements to maturity, including interest, are as follows:

	AEDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2020	$ 640,640	$ 39,212	$ 679,852
2021	653,453	26,400	679,853
2022	666,522	13,330	679,852
Total	$ 1,960,615	$ 78,942	$ 2,039,557

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations – Continued

A schedule of authorized but unissued direct General Obligation Bonds as of September 30, 2019, is as follows:

Purpose	Date of Authorization	Original Amount Authorized	Issued in Prior Fiscal Years	Issued in 2019	Unissued Balance
Service Center Facilities	5/12/2007	$ 14,500,000	$ 12,500,000	$ -	$ 2,000,000
Library	5/7/2016	16,045,000	831,000	-	15,214,000
Streets and Drainage	5/7/2016	23,890,000	9,782,810	2,386,190	11,721,000
Parks	5/7/2016	27,000,000	-	2,000,000	25,000,000
Public Art Projects	5/7/2016	1,770,000	-	500,000	1,270,000
Public Safety	5/7/2016	24,445,000	11,200,000	1,800,000	11,445,000
		$ 107,650,000	$ 34,313,810	$ 6,686,190	$ 66,650,000

Waterworks and Sewer System Revenue Bonds

Waterworks and Sewer System Revenue Bonds are used to finance the acquisition of major capital improvements for the City's water and sewer system and related facilities. Water and Sewer Revenue Bonds and Refunding Bonds are payable solely from and, equally secured by, a first lien on and pledge of the net revenue of the City's combined waterworks and sanitary sewer systems.

The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Enterprise Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

Funds aggregating $571,053 at September 30, 2019, are restricted within the Water and Sewer Enterprise Fund for servicing of the debt. The respective bond indentures require the City to make equal monthly payments to the restricted accounts to accumulate the annual principal and interest requirements as they become due.

The ordinances authorizing the Revenue Bonds stipulate that the City will deposit, in addition to principal and interest requirements, certain amounts in a reserve fund. Amounts in the reserve fund are to be used to pay principal and interest on outstanding bonds whenever enough funds are not available in the bond interest and redemption fund. The bond indentures require that the City accumulate reserves to an amount equal to the average annual principal and interest requirements of all outstanding bonds secured by the net revenues of the system. Such reserves are funded up to the required level in equal monthly installments over a maximum five-year period, as defined in the indentures. Amounts in the reserve fund at September 30, 2019, of $1,705,362 are adequate to meet the reserve requirements.

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations – Continued

Water and Sewer Revenue Bonds – Continued

At September 30, 2019, restricted assets, which include amounts in the Water and Sewer Revenue Bond Debt Service and the Revenue Bond Reserve Fund, were as follows:

Revenue bond reserve fund	$ 1,102,069
Revenue bond debt service	603,293
	$ 1,705,362

Net position reserved for Water and Sewer revenue bond retirement is detailed as follows:

Restricted assets, revenue bond debt	
Service and reserve funds	$ 1,705,362
Accrued interest, payable from restricted assets	(169,309)
Current maturities of revenue bonds, payable from restricted assets	(965,000)
Reserved for water and sewer revenue bonds principal and interest	$ 571,053

The City complies with the various requirements of the bond ordinances.

Capital Leases

The City has acquired office equipment, a building, and land under various leases accounted for as capital leases. As of September 30, 2019, the capitalized costs of the governmental leased property and business-type leased property under capital leases were $1,809,530 and $1,429,490, respectively.

The terms of the leases range from 3 - 5 years and call for monthly and annual payments over the life of the leases. The future minimum lease payments under the capitalized leases and the net present value of the future minimum lease payments at September 30, 2019, are as follows:

Fiscal Year Ending	Governmental Activities			Business-type Activities		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2020	$ 29,986	$ 2,275	$ 32,261	$ 146,027	$ 18,686	$ 164,713
2021	33,490	1,004	34,494	144,278	13,334	157,612
2022	12,515	267	12,782	149,752	7,859	157,611
2023	-	-	-	129,125	2,218	131,343
Total	$ 75,991	$ 3,546	$ 79,537	$ 569,182	$ 42,097	$ 611,279

NOTE 5. LONG-TERM DEBT – CONTINUED

Annual Requirements to Retire Debt Obligations – Continued

Operating Leases

The City leases machinery and equipment under non-cancelable operating leases. Total cost for such leases was $576,823 for the fiscal year ended September 30, 2019. Future minimum lease payments, by year and in the aggregate, under the non-cancelable lease commitments are as follows:

Fiscal Year Ending September 30,	Amount
2020	$ 428,262
2021	222,933
2022	124,105
2023	110,582
2024	55,200
Total	$ 941,082

NOTE 6. INTERFUND TRANSFERS

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund operating transfers for fiscal year ended September 30, 2019, were as follows:

Fund	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ 4,911,714	$ 8,208,513
General Capital Projects	6,500,000	-
General Obligation Bonds	-	245,000
Total Major Governmental Funds	11,411,714	8,453,513
Nonmajor Governmental Funds:		
Grants and Special Revenue	514	100,556
Total Nonmajor Governmental Funds	514	100,556
Major Enterprise Funds:		
Water and Sewer Fund	46,059	4,083,414
Solid Waste Fund	-	742,121
Drainage Utility Fund	-	347,401
Golf Course Fund	423,963	-
Total Major Enterprise Funds	470,022	5,172,936
Internal Service Funds:		
Facility Maintenance Fund	1,334,500	20,000
Risk Management Fund	534,255	4,000
Total Internal Service Funds	1,868,755	24,000
Total Transfers	$ 13,751,005	$ 13,751,005

NOTE 6. INTERFUND TRANSFERS – CONTINUED

Transfers are used to 1) move amounts from funds receiving administrative and operating support to the appropriate fund incurring the administrative and operating costs and 2) to move unrestricted funds to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs and to support cash financing of capital projects.

The fund financial statements show:

- Governmental funds: Total transfers in of $11,412,228 into the governmental funds were made to fund capital projects, provide funds for grant-matching expenditures, and provide funding for technology, procurement, human resources, building maintenance, financial, and administrative support. Transfers out totaling $8,544,069 includes cash financing for capital projects, operational support for the Golf Course Fund, and support to programs recorded in non-major governmental and internal service funds.

- Proprietary funds: Total transfers in of $470,022 into the enterprise funds mainly represents amounts transferred into the Golf Course to support operations. The total transfers out of $5,172,936 represents the amount provided by other funds for technology, procurement, human resources, building maintenance, financial and administrative support. The internal service funds total transfer in of $1,868,755 represents the amounts needed for repairs of aging facility infrastructure and administrative support, and total transfers out of $24,000 represents the amounts needed in the special revenue fund to replace technology equipment.

NOTE 7. RETIREMENT PLAN

Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

NOTE 7. RETIREMENT PLAN – CONTINUED

Beginning in 1993, the City granted an annually repeating (automatic) basis a monetary credit referred to as an Updated Service Credit (USC), which is a theoretical amount that considers salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating
Annuity Increase to retirees	70% of CPI Repeating

The City also participates in Social Security.

Employees Covered by Benefit Terms*:*

At the December 31, 2019, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	222
Inactive employees entitled to, but not yet receiving benefits	467
Active employees	751
Total	1,440

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The actuarially determined contribution rates for retirement benefits for the City were 13.94%, 13.99%, and 14.03% in calendar years 2017, 2018, and 2019, respectively. The City's contributions to TMRS for the years ended September 30, 2017, 2018, and 2019, were $6,545,488, $6,927,485, and $7,316,790, respectively, which were in excess of the required annual contribution for each year.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

NOTE 7. RETIREMENT PLAN – CONTINUED

Actuarial Assumptions

The Total Pension Liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. In addition a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010, through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013, valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

NOTE 7. RETIREMENT PLAN – CONTINUED

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	$ 196,581,033	$ 174,740,433	$ 21,840,600
Changes for the year:			
Service cost	8,503,427	-	8,503,427
Interest	13,379,960	-	13,379,960
Difference between expected and actual experience	(680)	-	(680)
Contributions - employer	-	7,423,200	(7,423,200)
Contributions - employee	-	3,423,774	(3,423,774)
Net investment income	-	(5,239,779)	5,239,779
Benefit payments, including refunds of employee contributions	(5,222,230)	(5,222,230)	-
Administrative expense	-	(101,162)	101,162
Other changes	-	(5,285)	5,285
Net changes	16,660,477	278,518	16,381,959
Balance at 12/31/2018	$ 213,241,510	$ 175,018,951	$ 38,222,559

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 72,994,042	$ 38,222,559	$ 10,133,474

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

NOTE 7. RETIREMENT PLAN – CONTINUED

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized pension expense in the amount of $10,214,352. At September 30, 2019, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,264,634	$ (294,536)
Changes in actuarial assumptions	-	(68,893)
Difference between projected and actual investment earnings	9,036,771	-
Contributions subsequent to the measurement date	5,629,106	-
Total	$ 15,930,511	$ (363,429)

Deferred outflows of resources in the amount of $5,629,106 related to pensions that resulted from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2019, (i.e. recognized in the City's financial statements for the year ending September 30, 2020). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement year ending December 31:	
2019	$ 3,151,714
2020	1,696,656
2021	1,621,209
2022	3,468,402
2023	(5)
Total	$ 9,937,976

NOTE 8. WATER AND SEWER CONTRACTS

In 1972, the City entered a forty-year contract with the North Texas Municipal Water District (District) for the purchase of water. Under the terms of this contract, the City is obligated to make a minimum annual payment (adjusted annually) in return for a minimum volume of gallons of water per year. During 1998, the City was annexed into the North Texas Municipal Water District, which guaranteed the City a minimum volume of water. For the year ended September 30, 2019, the cost of water purchased under this contract was $17,109,012.

In 1978, the City entered a contract with the District for the transportation, treatment and disposal of sanitary sewage and other waste. The contract will continue in force at least until all bonds issued by the District pursuant to the contract have been paid in full and will remain in force thereafter throughout the useful life of the District's sanitary sewer system. The contract requires the City to pay varying amounts based on the costs associated with sewage transported and/or treated and disposed. The cost includes the City's proportionate share of the District's operating and maintenance expenses and related debt service costs. During fiscal year 2019, the cost for transportation, treatment and disposal of sewage and other wastes was $10,551,423.

NOTE 9. DEFERRED COMPENSATION PLAN

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property and rights of the City subject only to the claims of the City's general creditors. As a result, at September 30, 2019, the deferred compensation investments are not reported in the City's financial statements.

NOTE 10. RISK MANAGEMENT

Health and Dental Insurance

The City provides health and dental insurance benefits to City employees under a modified self-insurance plan. Under the plan, the City and the employee pay a portion of a predetermined monthly premium, which is based on the estimated claims cost for the plan and the extent of medical coverage selected by the employee. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

A commercial insurance carrier is utilized to adjudicate and pay medical claims on behalf of the City. The City's medical claims liability is limited by a stop loss insurance policy that covers individuals' medical claims in excess of $125,000 per plan year. Aggregate stop loss coverage of $2,000,000 per plan year provides protection to limit claim liability for the plan as a whole. The liabilities for insurance claims reported are based on GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

These liabilities include an estimate for incurred but not reported claims. The estimated amount at September 30, 2019, was $1,202,007. Changes in the Risk Management liability during the past five fiscal years were as follows:

Year Ending September 30,	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2015	$ 935,264	$ 7,393,719	$ 7,345,549	$ 983,434
2016	983,434	8,076,640	7,986,738	1,073,336
2017	1,073,336	8,599,895	8,512,397	1,160,834
2018	1,160,834	7,857,200	7,953,825	1,064,209
2019	1,064,209	8,909,032	8,771,234	1,202,007

NOTE 10. RISK MANAGEMENT – CONTINUED

Workers Compensation & Property and Liability Insurance

The City participates in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for workers' compensation claims, liability (general, automobile, law enforcement, and errors/omissions), and property insurance. The cost is based on the pool's claims cost, which is adjusted to reflect the City's individual claims experience. As claims arise they are submitted to and paid by TMLIRP. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

The City has a workers' compensation deductible of $25,000 per occurrence, with an annual aggregate deductible of $282,222. During fiscal 2019, the City contributed $614,097 to the Risk Management Fund for workers' compensation.

The City has various levels of insurance deductibles for property, liability, and automobile insurance with the maximum deductible set at $10,000. All insured claims are paid by TMLIRP, less the appropriate deductible. During fiscal 2019, the City contributed $816,718 for property and general liability.

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

City of Allen Retiree Healthcare Plan:

Plan Description and Benefits Provided

In addition to the pension benefits described in Note 7, and as required by state law, the City provides post-retirement health care benefits for all permanent full-time employees through a single employer defined benefit medical plan. To be eligible under the plan, a participant must either attain age sixty (60) and at least five (5) years of TMRS service or be any age with twenty (20) or more years of service. Retirees must make a one-time irrevocable decision to continue benefits at the time of retirement, after which their eligibility for this benefit ends. The retiree benefit consists of medical, dental and vision care until age 65.

Employees who retired on or before December 31, 2012, were "grandfathered" in and allowed to pay the same blended medical premium rates as COBRA participants, which are the total cost of premiums (no City subsidy) plus 2% administration fees. The retirees are also subject to the same rate increases as COBRA participants. Employees who retire on or after January 1, 2013, can elect health care coverage but will be required to pay the (higher) unblended rate. Current OPEB benefits are made on a pay-as-you-go basis from the Risk Management Fund. During fiscal year ended September 30, 2019, retirees paid $70,144 in the form of premiums and incurred $219,347 in plan expenses.

Employees Covered by Benefit Terms

Membership in the defined benefit medical plan consisted of the following at the measurement date of September 30, 2019:

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	-
Active plan members	688
Total members	698

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – CONTINUED

City of Allen Retiree Healthcare Plan

Funding Policy

Due to the significant increase in retiree premium costs, the City elected to create a separate Other Postemployment Defined Benefit Medical Plan for retirees, effective January 1, 2013. The single employer defined benefit plan is created by City ordinance and appoints the City Manager as Plan Administrator for the program. The trust was established with Public Agency Retirement Services Company (PARS) and is used to accumulate resources to fund future benefits. However, it does not represent the activities of the plan. Related medical costs are incurred in and paid from the City's Risk Management Fund. The plan benefit provisions and obligations to contribute are established by City Council action and are actuarily determined.

Net OPEB Liability (Asset)

Actuarial Methods and Assumptions **-** The City's net OPEB liability (asset) was measured as of October 1, 2017, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date, which was rolled forward using standard update procedures to determine the September 30, 2019, total OPEB liability based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	October 1, 2017
Measurement Date	September 30, 2019
Discount Rate	4.00%
Inflation	2.50% per annum
Payroll Growth Rate	3.00% per annum, including inflation
Mortality, Non-Annuitants	Sex distinct RP 2014h mortality table, with mortality improvement scale MP-2018.
Mortality, Annuitants	Sex distinct RP 2014h mortality table, with mortality improvement scale MP-2018.
Medical & Pharmacy Healthcare Trend	- Medical - 7.3% for 2018, decreasing to an ultimate rate of 4.0% in 2044 and later years. - Dental - 3.0% for 2018 and later years.
Participation Rate	20% of participants eligible for medical or dental benefits upon retirement are assumed to elect coverage.
Investment Rate of Return	4.00%, net of OPEB plan investment expenses

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.
The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	20.0%	6.40%
Fixed Income	65.0%	3.18%
Private Equity	3.0%	8.80%
Real Estate	3.0%	5.80%
Cash	9.0%	1.90%
Total	100.0%	

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)– CONTINUED

City of Allen Retiree Healthcare Plan - Continued

***Discount Rate* -** The current valuation is based upon last year's valuation results projected forward to the new Measurement Date of September 30, 2019, reflecting a change in the expected return on assets and the discount rate from 5.00% as of September 30, 2018 to 4.00% as of September 30, 2019. The reduction of 100 basis points is attributable to a change in the investment policy to hold a more conservative set of investment instruments. Actual Assets were used at the measurement date of September 30, 2019..

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at 09/30/2018	$ 855,318	$ 1,660,030	$ (804,712)
Changes for the year:			
Interest	38,887	-	38,887
Changes of assumptions	28,859	-	28,859
Net investment income	-	66,177	(66,177)
Benefit payments	(155,176)	(142,438)	(12,738)
Administrative expense	-	(8,119)	8,119
Net changes	(87,430)	(84,380)	(3,050)
Balance at 09/30/2019	$ 767,888	$ 1,575,650	$ (807,762)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate of 4.00%:

	1% Decrease in Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase in Discount Rate (5.00%)
City's net OPEB (Asset)	$ (765,767)	$ (807,762)	$ (846,356)

The following presents the net OPEB liability (asset) of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate (6.30%)	Healthcare Cost Trend Rate (7.30%)	1% Increase in Trend Rate (8.30%)
City's net OPEB (Asset)	$ (842,055)	$ (807,762)	$ (771,318)

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – CONTINUED

City of Allen Retiree Healthcare Plan - Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the collective OPEB expense of the City of Allen Retiree Healthcare Plan was a credit of $41,906. At September 30, 2019, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (71,323)
Changes in actuarial assumptions	25,652	(23,657)
Difference between projected and actual investment earnings	4,672	-
Total	$ 30,324	$ (94,980)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows.

Measurement year ending September 30,	Annual Amortization
2020	$ (9,674)
2021	(9,674)
2022	(9,676)
2023	(7,748)
2024	(10,361)
Thereafter	(17,523)
Total	$ (64,656)

Supplemental Death Benefits Plan:

Program Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan administered by Texas Municipal Retirement System (TMRS), which is known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to an employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). Retired employees are each insured for $7,500, and this coverage is reported as an "other postemployment benefit" or (OPEB). As the SDBF covers both active and retired participants, with no segregation of assets, the SDBF is considered as an unfunded OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for financial reporting.

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – CONTINUED

Supplemental Death Benefits Plan - Continued

Contributions and Funding Policy

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is to not pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.01% for calendar years 2019, 2018, and 2017. The City's contributions to the TMRS SDBF for retirees for the years ended September 30, 2019, 2018, and 2017 were $72,188, $66,896, and $64,347, respectively, which were equal to the actuarially determined contribution (ADC) for each year.

Summary of Actuarial Assumptions and Other Inputs Used

Inflation	2.5 %
Salary Increases	3.5% to 10.5%, including inflation.
Discount Rate	3.71% (The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018)
Retirees' share of benefit-related costs	$0.00
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates – service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality Rates – disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Note: The actuarial assumptions used in the December 31, 2018, valuation was based on the results of an actuarial experience study for the period December 31, 2010, to December 31, 2014.

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – CONTINUED

Supplemental Death Benefits Plan - continued:

Employees Covered by Benefit Terms*

At December 31, 2018, the actuarial valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	162
Inactive employees entitled to, but not yet receiving benefits	96
Active employees	751
Total	1,009

Changes in total OPEB Liability

Total OPEB Liability – beginning of year	$ 1,341,112
Changes for the year:	
Service Cost	97,628
Interest on Total OPEB Liability	45,926
Differences between expected and actual experience	101,506
Changes in assumptions or other inputs	(111,311)
Benefit payments	(4,881)
Net Change	128,868
Total OPEB Liability - end of year	$ 1,469,980

The City's total OPEB liability of $1,469,980 was measured at December 31, 2018, and determined by an actuarial valuation as of that date. Accordingly, no roll-forward is required.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) or 1-percentage-point higher (4.31%) than the current discount rate:

	1.0% Decrease in Discount Rate (2.71%)	Current Discount Rate (3.71%)	1.0% Increase in Discount Rate (4.71%)
Total OPEB Liability	$ 1,772,418	$ 1,469,980	$ 1,237,356

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of $159,365. OPEB expense recognized is as follows

Components of OPEB Expense:	
Service Cost	$ 97,628
Interest on Total OPEB Liability	45,926
Differences between expected and actual experience	14,398
Change in assumptions or other input	1,413
Total OPEB Expense	$ 159,365

NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – CONTINUED

Supplemental Death Benefits Plan - continued:

At September 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made subsequent to measurement date	$ 3,745	$ -
Differences between expected and actual experience	87,108	-
Changes in assumptions or other inputs	86,867	(95,522)
Total	$ 177,720	$ (95,522)

Deferred outflows of resources in the amount of $3,745 related to OPEB that resulted from contributions made subsequent to the measurement date but before September 30, 2019, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending September 30,	Net deferred outflows/ (inflows) of resources
2020	$ 15,811
2021	15,811
2022	15,811
2023	15,811
2024	15,811
Thereafter	(602)
Total	$ 78,453

NOTE 12. TAX ABATEMENTS AND ECONOMIC INCENTIVES

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales taxes and include incentive payments and rebates of fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act), and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact, or community impact of the project requesting assistance. Recipients of assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions that may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

NOTE 12. TAX ABATEMENTS AND ECONOMIC INCENTIVES – CONTINUED

The following are the three categories of economic development agreements City has contracted:

General Economic Development -The City, Allen Economic Development Corporation, and Allen Community Development Corporation enter into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received, may result in fee reductions or rebates, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. During fiscal year 2019, the City rebated $3,996,279 in taxes and rebated fees of $369,532 under these agreements. Additionally, for fiscal year 2019, the Allen Economic Development Corporation rebated taxes in the amount of $189,028 and made incentive payments of $5,658,447, while the Allen Community Development Corporation rebated taxes in the amount of $189,028 and made incentive payments of $81,250. The Allen Economic Development Corporation also sold land for economic development during fiscal year 2019.

Tax Abatements -Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer pays taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were $255,873 for the fiscal year ended September 30, 2019.

Tax Increment Financing -The City has adopted two Tax Increment Financing (TIF) zones under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements that earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. Additionally, the City may enter into general economic development agreements, under Chapter 380 of the Texas Local Government Code, which are funded with TIF resources. The City made $848,269 in payments for TIF obligations during fiscal year 2019.

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Federal Grants -The City participates in several State and Federal assisted grant programs. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

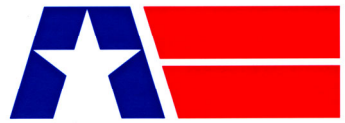
Litigation The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Economic Development Grant -The City has several economic development agreements whereby the City has agreed to pay a grant(s) to a developer and/or business in return for the design, construction, operating, and/or managing of the business within the City of Allen. All grants are performance based and do not constitute liabilities on the City's financial records.

NOTE 14. SUBSEQUENT EVENTS

The City has evaluated all events or transactions that occurred subsequent to September 30, 2019, through March 19, 2020, the date the financial statements were issued. During this period, there were no subsequent events that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION


CITY OF ALLEN

CITY OF ALLEN, TEXAS **EXHIBIT A-1**
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - SUPPLEMENTAL DEATH BENEFITS FUND
LAST TWO MEASUREMENT YEARS

	2018*	2017*
Total OPEB liability:		
Service cost	$ 97,628	$ 83,658
Interest (on the total pension liability)	45,926	42,992
Changes in benefit terms	-	-
Difference in expected and actual experience	101,506	-
Change in assumptions or other inputs	(111,311)	121,271
Benefit payments **	(4,881)	(4,648)
Net change in total OPEB liability	128,868	243,273
Total OPEB liability, beginning of year	1,341,112	1,097,839
Total OPEB liability, end of year	$ 1,469,980	$ 1,341,112
Covered payroll	$ 48,814,159	$ 46,476,391
Total OPEB liability as a percentage of covered payroll	3.01%	2.89%

Notes to Schedule:

* GASB 75 requires 10 fiscal years of data to be provided in this schedule. However, information for additional years will be displayed as it becomes available.

** Due to the SDBP being considered an unfunded plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

CITY OF ALLEN, TEXAS **EXHIBIT A-2**
SCHEDULE OF OPEB CONTRIBUTIONS -
SUPPLEMENTAL DEATH BENEFITS FUND
LAST TWO FISCAL YEARS

	Fiscal Year Ended September 30,	
	2019*	2018*
Actuarially determined contributions	$ 5,156	$ 4,778
Contributions in relation to actuarially determined contribution	5,156	4,778
Contributions deficiency (excess)	$ -	$ -
Covered payroll	$ 51,562,996	$ 47,782,955
Contributions as a percentage of covered payroll	0.01%	0.01%

Notes to Schedule of OPEB Contributions

GASB 75 requires 10 fiscal years of data to be provided in this schedule. However, information for additional years will be presented as it becomes available.

GASB 75, paragraph 57, requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

CITY OF ALLEN, TEXAS **EXHIBIT A-3**
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS - DEFINED BENEFIT RETIREE HEALTHCARE PLAN
LAST TWO MEASUREMENT YEARS

	Measurement Year Ended September 30,	
	2019*	2018*
Total OPEB liability		
Service cost	$ -	$ -
Interest (on the total OPEB liability)	38,887	41,469
Changes in benefit terms	-	-
Difference in expected and actual experience	-	(91,701)
Change in assumptions	28,859	(30,415)
Benefit payments	(155,176)	29,767
Net change in total OPEB liability	(87,430)	(50,880)
Total OPEB liability, beginning of year	855,318	906,198
Total OPEB liability, end of year (a)	$ 767,888	$ 855,318
Plan fiduciary net position:		
Contributions -employer	$ -	$ -
Contributions -employee	-	-
Net investment income	66,177	94,484
Benefit payments	(142,438)	(252,781)
Administrative expense	(8,119)	(10,442)
Net change in plan fiduciary net position	(84,380)	(168,739)
Plan fiduciary net position - beginning	1,660,030	1,828,769
Plan fiduciary net position - ending (b)	$ 1,575,650	$ 1,660,030
Plan Net OPEB liability (asset) - ending (a) - (b)	$ (807,762)	$ (804,712)
Plan fiduciary net position as a % of total OPEB liability	205.19%	194.08%
Covered payroll	$ 47,857,137	$ 41,451,256
Net OPEB liability (asset) as a % of covered payroll	-1.69%	-1.94%

Notes to Schedule:

Benefit changes. There have been no material benefit changes during the valuation periods shown above.

Changes in assumptions. During fiscal year 2019, the expected return rate and the discount rate were decreased from 5.00% to 4.00% corresponding with a change to the OPEB trust's investment policy to a more conservative investment portfolio.

***** GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be displayed as it becomes available.

CITY OF ALLEN, TEXAS **EXHIBIT A-4**
SCHEDULE OF OPEB CONTRIBUTIONS -
DEFINED BENEFIT RETIREE HEALTHCARE PLAN
LAST TWO FISCAL YEARS

	Fiscal Year Ended September 30,	
	2019*	2018*
Actuarially determined contributions	$ -	$ -
Contributions in relation to actuarially determined contribution	-	-
Contributions deficiency (excess)	$ -	$ -
Covered payroll	$ 47,857,137	$ 41,451,256
Contributions as a percentage of covered payroll	0.00%	0.00%

* GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

Notes to Schedule of OPEB Contributions

Valuation Date:	The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2017.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar
Amortization Period	N/A
Asset Valuation Method	Market value of assets
Inflation	2.5% per annum
Healthcare cost trend rates	7.3% initial, decreasing to an ultimate rate of 4.25% in the year 2044
Salary Increases	2.75% per annum
Investment Rate of Return	4.0%, net of OPEB plan investment expense
Retirement Age	Rates are the same as those used for the TMRS retirement plan
Mortality	RPH-200 Health Annuity/Non-annuitant Mortality Table adjusted to 2006 with Mortality improvement scale MP-2018.

Other information:

During 2019, the investment portfolio of the OPEB trust changed to a more conservative investment strategy. As a result, the investment rate of return was lowered from 5.00% as of September 30, 2018, to 4.00% as of the current measurement date.

CITY OF ALLEN, TEXAS **EXHIBIT A-5**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – RETIREMENT PLAN (TMRS)

LAST FIVE MEASUREMENT YEARS

	Measurement Year Ended September 30,				
	2014*	2015*	2016*	2017*	2018*
Total pension liability:					
Service cost	$ 6,407,942	$ 7,377,440	$ 7,740,829	$ 8,091,540	$ 8,503,427
Interest (on the total pension liability)	9,749,386	10,562,818	11,165,087	12,232,446	13,379,960
Changes in benefit terms, including substantively automatic status	-	-	-	-	-
Difference in expected and actual experience	(1,791,341)	196,259	894,580	1,293,282	(680)
Change in assumptions	-	(231,950)	-	-	-
Benefit payments, including refunds of employee contributions	(3,213,118)	(3,247,435)	(3,902,489)	(4,423,768)	(5,222,230)
Net change in total pension liability	11,152,869	14,657,132	15,898,007	17,193,500	16,660,477
Total pension liability, beginning of year	137,679,525	148,832,394	163,489,526	179,387,533	196,581,033
Total pension liability, end of year	$ 148,832,394	$ 163,489,526	$ 179,387,533	$ 196,581,033	$ 213,241,510
Plan fiduciary net position:					
Contributions -employer	$ 5,455,902	$ 6,063,051	$ 6,473,617	$ 7,130,557	$ 7,423,200
Contributions -employee	2,754,779	3,021,766	3,129,050	3,274,594	3,423,774
Net investment income	6,648,346	188,559	9,039,319	20,569,321	(5,239,779)
Benefit payments, including refunds of employee contributions	(3,213,118)	(3,247,435)	(3,902,489)	(4,423,768)	(5,222,230)
Administrative expense	(69,397)	(114,830)	(102,024)	(106,520)	(101,162)
Other	(5,706)	(5,671)	(5,497)	(5,400)	(5,285)
Net change in plan fiduciary net position	11,570,806	5,905,440	14,631,976	26,438,784	278,518
Plan fiduciary net position - beginning	116,193,427	127,764,233	133,669,673	148,301,649	174,740,433
Plan fiduciary net position - ending	$ 127,764,233	$ 133,669,673	$ 148,301,649	$ 174,740,433	$ 175,018,951
Net pension liability - ending	$ 21,068,161	$ 29,819,853	$ 31,085,884	$ 21,840,600	$ 38,222,559
Plan fiduciary net position as a % of total pension liability	85.84%	81.76%	82.67%	88.89%	82.08%
Covered payroll	$ 39,335,988	$ 43,142,910	$ 44,410,952	$ 46,476,391	$ 48,814,159
Net pension liability as a % of covered payroll	53.56%	69.12%	70.00%	46.99%	78.30%

* GASB 68 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

CITY OF ALLEN, TEXAS **EXHIBIT A-6**
SCHEDULE OF CONTRIBUTIONS –
RETIREMENT PLAN (TMRS)
LAST FIVE FISCAL YEARS

	Fiscal Year Ended September 30,				
	2015*	2016*	2017*	2018*	2019*
Actuarially determined contributions	$ 5,785,220	$ 6,028,939	$ 6,217,858	$ 6,678,295	$ 7,228,643
Actual contributions	(5,797,651)	(6,181,797)	(6,545,488)	(6,927,485)	(7,742,056)
Contributions deficiency (excess)	$ (12,431)	$ (152,858)	$ (327,630)	$ (249,190)	$ (513,413)
Covered payroll	$ 40,985,314	$ 43,564,466	$ 45,962,313	$ 47,782,955	$ 51,562,996
Ratio of actual contributions to covered payroll amount	14.15%	14.19%	14.24%	14.50%	15.01%

***** GASB 68 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

Notes to Schedule

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Other information:	There were no benefit changes during the year.

CITY OF ALLEN, TEXAS **EXHIBIT A-7**
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Ad valorem taxes, penalties and interest	$ 52,726,466	$ 53,288,304	$ 53,250,570	$ (37,734)
Municipal sales tax	19,794,260	20,503,676	21,127,093	623,417
Franchise taxes	7,433,496	7,861,058	7,628,851	(232,207)
Licenses, permits and fees	3,028,100	3,451,100	5,019,490	1,568,390
Charges for services	13,405,250	14,073,914	11,814,263	(2,259,651)
Fines	1,664,133	1,633,133	2,025,605	392,472
Gifts and contributions	585,946	588,282	785,613	197,331
Intergovernmental	100,000	100,000	261,132	161,132
Investment earnings	556,706	550,000	1,326,225	776,225
Miscellaneous	1,320,945	1,720,154	2,579,264	859,110
Total revenues	100,615,302	103,769,621	105,818,106	2,048,485
EXPENDITURES				
Current:				
General government	19,294,262	19,393,504	18,376,868	(1,016,636)
Public safety	44,383,527	44,490,296	43,155,246	(1,335,050)
Public works	6,721,137	6,747,354	6,410,188	(337,166)
Culture and recreation	29,586,511	30,633,108	28,652,437	(1,980,671)
Community development	3,267,591	3,434,246	2,859,578	(574,668)
Capital Outlay	319,000	587,866	787,360	199,494
Total expenditures	103,572,028	105,286,374	100,241,677	(5,044,697)
Excess (deficiency) of revenues over (under) expenditures	(2,956,726)	(1,516,753)	5,576,429	7,093,182
OTHER FINANCING SOURCES (USES)				
Transfers in	4,603,089	4,907,714	4,911,714	4,000
Transfers out	(2,277,926)	(2,190,013)	(8,208,513)	(6,018,500)
Sale of capital assets	10,000	12,000	23,825	11,825
Total other financing sources (uses)	2,335,163	2,729,701	(3,272,974)	(6,002,675)
NET CHANGE IN FUND BALANCE	(621,563)	1,212,948	2,303,455	1,090,507
FUND BALANCES, BEGINNING OF YEAR	23,711,241	23,711,241	23,711,241	-
FUND BALANCES, END OF YEAR	$ 23,089,678	$ 24,924,189	$ 26,014,696	$ 1,090,507

BUDGETARY INFORMATION

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to each October 1, the budget is legally enacted by the City Council through passage of an ordinance.

4. Annual budgets are legally adopted for the General Fund and Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for proprietary funds. However, the City adopts an annual budget for those funds for managerial control purposes.

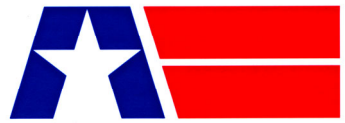
5. The City Manager is authorized to adjust budgeted amounts. However, such revisions may not result in total expenditures (appropriations) in excess of budgeted expenditures without approval of the City Council. Therefore, the legal level of budgetary control is the combined total budgeted expenditures for all fund types.

6. Formal budgetary integration is not employed for Special Revenue Funds, Proprietary Funds or Capital Projects Funds. However, the City also adopts an annual budget for those funds for managerial control purposes.

7. Budgetary data for the Special Revenue Funds and Capital Projects Funds has not been presented in the accompanying basic financial statements because such funds are budgeted over the life of the respective grant or project and not on an annual basis. Budgetary information for the Proprietary Funds has not been presented since reporting on such budgets is not legally required.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual — General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

COMBINING AND BUDGETARY COMPARISON SCHEDULES


CITY OF ALLEN

MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bonds, certificate of obligation bonds, and interest from governmental resources.

CITY OF ALLEN, TEXAS **EXHIBIT B-1**
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes	$ 14,024,502	$ 14,028,189	$ 14,202,312	$ 174,123
Investment earnings	122,376	130,000	216,756	86,756
Total revenues	14,146,878	14,158,189	14,419,068	260,879
EXPENDITURES				
Principal retirement	10,581,949	10,583,703	10,582,162	(1,541)
Interest and fiscal charges	3,373,660	3,440,448	3,407,768	(32,680)
Total expenditures	13,955,609	14,024,151	13,989,930	(34,221)
Excess (deficiency) of revenues over (under) expenditures	191,269	134,038	429,138	295,100
OTHER FINANCING SOURCES (USES)				
Issuance of refunding bonds	-	1,700,000	1,660,000	(40,000)
Premium on issuance of bonds	-	-	47,244	47,244
Payment to refund bond escrow agent	(12,750)	(1,711,250)	(1,675,000)	36,250
Total other financing sources (uses)	(12,750)	(11,250)	32,244	43,494
NET CHANGE IN FUND BALANCES	178,519	122,788	461,382	338,594
FUND BALANCE, BEGINNING OF YEAR	1,251,938	1,251,938	1,251,938	-
FUND BALANCE, END OF YEAR	$ 1,430,457	$ 1,374,726	$ 1,713,320	$ 338,594

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Hotel Occupancy Tax Fund – To account for funds received from hotel occupancy tax and expend as allowed by state law.

Asset Forfeiture Fund –- To account for activities associated with assets legally seized and forfeited.

Grants Fund – To account for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets.

Special Revenue Fund – To account for monies that have external legal restrictions associated with their use.

Gift Permanent Fund – To account for funds received through substantial gifts from the public.

Park Dedication Fund – To account for funds received and expended for the acquisition of additional park land and for the development of neighborhood parks.

Tax Increment Financing Fund – To account for the tracking of property tax and sales tax revenue and associated expenses for the City's Tax Increment Financing agreements.

CITY OF ALLEN, TEXAS **EXHIBIT B-2**
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	HOTEL OCCUPANCY TAX	ASSET FORFEITURE	GRANTS	SPECIAL REVENUE	GIFT PERMANENT	PARK DEDICATION	TAX INCREMENT FINANCING	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS								
Cash and cash equivalents	$ 288,256	$ 114,794	$ 215,794	$ 407,769	$ 809,648	$ 338,349	$ 1,252,428	$ 3,427,038
Investments	2,232,318	87,138	30,571	970,892	4,175	1,187,510	3,725,285	8,237,889
Accounts receivable	156,805	-	23,888	44,542	-	-	101,120	326,355
Accrued interest	7,843	569	156	4,969	21	6,078	19,067	38,703
TOTAL ASSETS	2,685,222	202,501	270,409	1,428,172	813,844	1,531,937	5,097,900	12,029,985
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	22,502	-	1,550	1,876	-	390,107	-	416,035
Accrued liabilities	11,067	24,963	-	-	-	-	-	36,030
Retainage payable	-	-	5,000	-	-	7,271	-	12,271
TOTAL LIABILITIES	33,569	24,963	6,550	1,876	-	397,378	-	464,336
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - interest	5,580	-	3	3,236	11	3,980	11,537	24,347
Unavailable revenue - grants	-	-	127	-	-	-	-	127
TOTAL DEFERRED INFLOWS OF RESOURCES	5,580	-	130	3,236	11	3,980	11,537	24,474
FUND BALANCES								
Restricted								
Tourism	2,646,073	-	-	-	-	-	-	2,646,073
Asset forfeiture	-	177,538	-	-	-	-	-	177,538
State and federal grants	-	-	263,729	-	-	-	-	263,729
Park acquisition and development	-	-	-	-	-	1,130,579	-	1,130,579
Tax increment financing agreement	-	-	-	-	-	-	5,086,363	5,086,363
Court technology	-	-	-	91,021	-	-	-	91,021
Juvenile case manager	-	-	-	29,435	-	-	-	29,435
PEG fees	-	-	-	1,026,569	-	-	-	1,026,569
Radio system	-	-	-	268,023	-	-	-	268,023
Court security	-	-	-	8,012	-	-	-	8,012
Public safety and library enhancements	-	-	-	-	813,833	-	-	813,833
TOTAL FUND BALANCES	2,646,073	177,538	263,729	1,423,060	813,833	1,130,579	5,086,363	11,541,175
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,685,222	$ 202,501	$ 270,409	$ 1,428,172	$ 813,844	$ 1,531,937	$ 5,097,900	$ 12,029,985

CITY OF ALLEN **EXHIBIT B-3**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	HOTEL OCCUPANCY TAX	ASSET FORFEITURE	GRANTS	SPECIAL REVENUE	GIFT PERMANENT	PARK DEDICATION	TAX INCREMENT FINANCING	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES								
Ad valorem taxes, penalties and interest	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,431,944	$ 1,431,944
Franchise taxes	-	-	-	181,242	-	-	-	181,242
Municipal sales tax	-	-	-	-	-	-	521,308	521,308
Licenses, permits, and fees	-	-	-	-	-	259,935	-	259,935
Fines	-	-	-	188,966	-	-	-	188,966
Hotel / motel taxes	1,758,858	-	-	-	-	-	-	1,758,858
Gifts and contributions	-	-	-	-	800,000	-	-	800,000
Intergovernmental	-	-	350,752	53,758	-	-	125,729	530,239
Investment earnings	65,203	5,744	5,379	39,411	13,833	46,787	129,972	306,329
Miscellaneous	301	89,420	-	-	-	-	-	89,721
Total revenues	1,824,362	95,164	356,131	463,377	813,833	306,722	2,208,953	6,068,542
EXPENDITURES								
General government	-	-	-	69,604	-	-	878,269	947,873
Public safety	-	74,066	54,672	-	-	-	-	128,738
Culture and recreation	1,110,988	-	6,152	-	-	31,712	-	1,148,852
Community development	-	-	302,101	-	-	-	-	302,101
Capital outlay	-	-	-	83,842	-	404,437	-	488,279
Total expenditures	1,110,988	74,066	362,925	153,446	-	436,149	878,269	3,015,843
Excess (deficiency) of revenues over (under) expenditures	713,374	21,098	(6,794)	309,931	813,833	(129,427)	1,330,684	3,052,699
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	514	-	-	-	514
Transfers out	(3,771)	-	-	(96,785)	-	-	-	(100,556)
Sale of capital assets	-	14,806	-	-	-	-	-	14,806
Total other financing sources (uses)	(3,771)	14,806	-	(96,271)	-	-	-	(85,236)
NET CHANGE IN FUND BALANCES	709,603	35,904	(6,794)	213,660	813,833	(129,427)	1,330,684	2,967,463
FUND BALANCES, BEGINNING OF YEAR	1,936,470	141,634	270,523	1,209,400	-	1,260,006	3,755,679	8,573,712
FUND BALANCES, END OF YEAR	$ 2,646,073	$ 177,538	$ 263,729	$ 1,423,060	$ 813,833	$ 1,130,579	$ 5,086,363	$ 11,541,175

CITY OF ALLEN

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for financing of services provided by one department to other departments of the City on a cost-reimbursement basis.

Replacement Fund - accounts for the costs associated with the acquisition of vehicles, machinery, and equipment through the rental of such items to other departments.

Risk Management Fund – accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

Facility Maintenance Fund - The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

CITY OF ALLEN, TEXAS **EXHIBIT C-1**
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019

	REPLACEMENT FUND	RISK MANAGEMENT FUND	FACILITY MAINTENANCE FUND	TOTALS
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 2,470,060	$ 1,271,460	$ 193,833	$ 3,935,353
Investments	10,754,319	6,875,302	1,613,539	19,243,160
Accounts receivable	71,385	118,659	-	190,044
Accrued interest receivable	44,549	35,188	5,699	85,436
Prepaid items	-	224,682	-	224,682
Total current assets	13,340,313	8,525,291	1,813,071	23,678,675
CAPITAL ASSETS				
Machinery and equipment	16,348,854	-	-	16,348,854
Vehicles	5,808,405	-	-	5,808,405
Accumulated depreciation	(12,466,557)	-	-	(12,466,557)
Capital assets, net of accumulated depreciation	9,690,702	-	-	9,690,702
TOTAL ASSETS	23,031,015	8,525,291	1,813,071	33,369,377
LIABILITIES AND NET POSITION				
LIABILITIES				
Accounts payable	136,711	11,782	134,648	283,141
Accrued liabilities	-	74	-	74
Incurred but not reported claims	-	1,202,007	-	1,202,007
TOTAL LIABILITIES	136,711	1,213,863	134,648	1,485,222
NET POSITION				
Net investment in capital assets	9,690,702	-	-	9,690,702
Unrestricted	13,203,602	7,311,428	1,678,423	22,193,453
TOTAL NET POSITION	$ 22,894,304	$ 7,311,428	$ 1,678,423	$ 31,884,155

CITY OF ALLEN, TEXAS **EXHIBIT C-2**
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	REPLACEMENT FUND	RISK MANAGEMENT FUND	FACILITY MAINTENANCE FUND	TOTALS
OPERATING REVENUES				
Charges for services	$ 3,450,337	$ 12,371,413	$ -	$ 15,821,750
Other income	176,137	1,915,910	-	2,092,047
Total operating revenues	3,626,474	14,287,323	-	17,913,797
OPERATING EXPENSES				
Personal services	-	367,131	-	367,131
Contractual services	37,955	12,406,877	674,333	13,119,165
Maintenance	-	-	-	-
Supplies	1,082	-	-	1,082
Depreciation	2,203,795	-	-	2,203,795
Total operating expenses	2,242,832	12,774,008	674,333	15,691,173
OPERATING INCOME (LOSS)	1,383,642	1,513,315	(674,333)	2,222,624
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	412,039	241,411	43,623	697,073
Loss on disposal of capital assets	(101,370)	-	-	(101,370)
Total non-operating revenues (expenses)	310,669	241,411	43,623	595,703
INCOME (LOSS) BEFORE TRANSFERS	1,694,311	1,754,726	(630,710)	2,818,327
TRANSFERS				
Transfers in	-	534,255	1,334,500	1,868,755
Transfers out	-	(4,000)	(20,000)	(24,000)
Total transfers	-	530,255	1,314,500	1,844,755
CHANGE IN FUND NET POSITION	1,694,311	2,284,981	683,790	4,663,082
NET POSITION, BEGINNING OF YEAR	21,199,993	5,026,447	994,633	27,221,073
NET POSITION, END OF YEAR	$ 22,894,304	$ 7,311,428	$ 1,678,423	$ 31,884,155

CITY OF ALLEN, TEXAS **EXHIBIT C-3**
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	REPLACEMENT FUND	RISK MANAGEMENT FUND	FACILITY MAINTENANCE FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from transactions with other funds	$ 3,555,088	$ 14,278,367	$ -	$ 17,833,455
Cash paid to employees for services	-	(363,946)	-	(363,946)
Cash paid for goods and services	37,580	(612,382)	(660,509)	(1,235,311)
Cash paid for claims	-	(11,982,548)	-	(11,982,548)
Net cash provided by (used in) operating activities	3,592,668	1,319,491	(660,509)	4,251,650
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	534,255	1,334,500	1,868,755
Transfers out	-	(4,000)	(20,000)	(24,000)
Net cash provided by non-capital financing activities	-	530,255	1,314,500	1,844,755
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(3,221,881)	-	-	(3,221,881)
Proceeds from sale of capital assets	207,464	-	-	207,464
Net cash used in capital and related financing activities	(3,014,417)	-	-	(3,014,417)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(1,513,827)	(1,532,461)	(879,368)	(3,925,656)
Interest on investments	401,688	224,406	40,960	667,054
Net cash used in investing activities	(1,112,139)	(1,308,055)	(838,408)	(3,258,602)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(533,888)	541,691	(184,417)	(176,614)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,003,948	729,769	378,250	4,111,967
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,470,060	$ 1,271,460	$ 193,833	$ 3,935,353
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Net operating income (loss)	$ 1,383,642	$ 1,513,315	$ (674,333)	$ 2,222,624
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,203,795	-	-	2,203,795
Change in assets and liabilities:				
Accounts receivable	(71,385)	(95,923)	-	(167,308)
Prepaids	-	(184,996)	-	(184,996)
Liabilities	76,616	87,095	13,824	177,535
Total adjustments	2,209,026	(193,824)	13,824	2,029,026
Net cash provided by (used in) operating activities	$ 3,592,668	$ 1,319,491	$ (660,509)	$ 4,251,650
NON-CASH INVESTING ACTIVITIES				
Change in the fair value of investments	$ 147,696	$ 13,002	$ 90,931	$ 251,629

DISCRETELY PRESENTED COMPONENT UNITS

Allen Economic Development Corporation (AEDC) – AEDC is a legally separate entity from the City and is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) – ACDC is a legally separate entity from the City and is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

CITY OF ALLEN, TEXAS **EXHIBIT D-1**
BALANCE SHEET
ALLEN ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2019

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	1,374,770
Investments		5,309,577
Sales tax receivable		1,825,969
Accounts receivable		562,185
Accrued interest receivable		27,175
TOTAL ASSETS	$	9,099,676
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	$	197,302
Accrued and other liabilities		614,377
TOTAL LIABILITIES		811,679
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - interest		15,039
TOTAL DEFERRED INFLOWS OF RESOURCES		15,039
FUND BALANCE		
Restricted		
Debt service		283,648
Unassigned		7,989,310
TOTAL FUND BALANCE		8,272,958
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	9,099,676

CITY OF ALLEN, TEXAS **EXHIBIT D-2**
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
ALLEN ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2019

Total fund balance of governmental fund balance sheet	$ 8,272,958
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	430,136
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	15,039
Interest payable on long-term debt does not require current financial resources. Accordingly, interest payable is not reported as a liability on the governmental funds balance sheet.	(51,116)
Long-term liabilities, including bonds payable are not due and payable in the current period and, accordingly, are not reported in the fund financial statements.	(13,598,305)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, accordingly, are not reported on the governmental funds balance sheet.	19,288,085
Net position of governmental activities	$ 14,356,797

CITY OF ALLEN, TEXAS **EXHIBIT D-3**
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
ALLEN ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

REVENUES		
Sales and other taxes	$	10,602,827
Investment earnings		324,934
Miscellaneous		30,899
Total revenues		10,958,660
EXPENDITURES		
Current:		
Economic development		7,735,856
Capital projects:		
Economic development		5,814,130
Debt service:		
Principal retirement		3,103,079
Interest and fiscal charges		582,469
Total expenditures		17,235,534
Deficiency of revenues under expenditures		(6,276,874)
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets		2,549,044
Total other financing sources		2,549,044
NET CHANGE IN FUND BALANCE		(3,727,830)
FUND BALANCE, BEGINNING OF YEAR		12,000,788
FUND BALANCE, END OF YEAR	$	8,272,958

CITY OF ALLEN, TEXAS **EXHIBIT D-4**
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
ALLEN ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net change in fund balance - total governmental fund		$ (3,727,830)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		5,814,130
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.		(25,102)
The payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:		
Bond principal retirement	$ 2,475,000	
Note principal retirement	628,079	
Amortization of bond premiums	132,358	
Amortization of deferred charges on refunding	(54,333)	3,181,104
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		8,728
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		8,790
In the governmental fund financial statements, the proceeds from a sale of assets are shown as an increase in financial resources. However, in the statement of activities, gain or loss from the transaction is calculated and reported.		(1,122,414)
Change in net position of governmental activities		$ 4,137,406

CITY OF ALLEN, TEXAS **EXHIBIT D-5**
BALANCE SHEET
ALLEN COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2019

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	2,018,976
Investments		13,479,968
Sales tax receivable		1,825,969
Accrued interest receivable		63,363
TOTAL ASSETS	$	17,388,276
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	$	201,691
Retainage payable		110,000
TOTAL LIABILITIES		311,691
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - interest		35,065
TOTAL DEFERRED INFLOWS OF RESOURCES		35,065
FUND BALANCES		
Restricted		
Debt service		226,223
Assigned for capital projects		657,182
Unassigned		16,158,115
TOTAL FUND BALANCE		17,041,520
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	17,388,276

CITY OF ALLEN, TEXAS **EXHIBIT D-6**
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
ALLEN COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2019

Total governmental fund balance	$ 17,041,520
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	486,080
Revenues earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements.	35,065
Interest payable on long-term debt does not require the use of current financial resources, and, accordingly, is not reported as a liability on the governmental fund balance sheet.	(54,541)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	(26,070,000)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported on the governmental fund balance sheet.	50,691,130
Net position of governmental activities	$ 42,129,254

CITY OF ALLEN, TEXAS **EXHIBIT D-7**
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
ALLEN COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

REVENUES		
Sales and other taxes	$	10,602,827
Investment earnings		430,760
Total revenues		11,033,587
EXPENDITURES		
Current:		
Community development		1,716,602
Capital projects:		
Community development		724,459
Debt service:		
Principal retirement		1,735,000
Interest and fiscal charges		677,569
Total expenditures		4,853,630
Excess of revenues over expenditures		6,179,957
NET CHANGE IN FUND BALANCE		6,179,957
FUND BALANCE, BEGINNING OF YEAR		10,861,563
FUND BALANCE, END OF YEAR	$	17,041,520

CITY OF ALLEN, TEXAS **EXHIBIT D-8**
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
ALLEN COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net change in fund balance - total governmental fund	$	6,179,957
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		724,459
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		29,177
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements.		(81,013)
Current year changes in accrued interest payable do not require the use of current financial resources and, accordingly, are not reported as expenditures in governmental funds.		1,861
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.		(3,254,174)
Repayment of the principal on long-term debt consumes the current financial resources of governmental funds. However, these transactions have no effect on net position.		1,735,000
Change in net position of governmental activities	$	5,335,267

CITY OF ALLEN

STATISTICAL SECTION
(UNAUDITED)

CITY OF ALLEN

STATISTICAL SECTION

This part of the City of Allen's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents	Table
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	**1, 2, 3 & 4**
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	**5, 6, 7 & 8**
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	**9, 10, 11 & 12**
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	**13 & 14**
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.	**15, 16 & 17**

Source: Unless otherwise noted, the information in these tables derived from the comprehensive annual financial reports for each respective year. The City implemented GASB Statement 34 in fiscal year 2003: tables presenting government-wide information include information beginning in that year.

CITY OF ALLEN, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

TABLE 1

	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	$ 375,929,040	$ 366,601,816	$ 373,586,071	$ 369,314,466	$ 363,168,607	$ 355,756,224	$ 364,667,251	$ 366,322,218	$ 379,153,944	$ 391,261,029
Restricted	889,439	18,656,870	21,042,413	26,511,231	26,066,205	31,476,026	32,485,173	38,303,226	39,588,223	44,872,796
Unrestricted	23,658,628	7,621,235	8,054,347	8,960,703	12,436,903	16,596,955	14,435,604	15,902,576	15,312,432	20,238,419
Total governmental net position	$ 400,477,107	$ 392,879,921	$ 402,682,831	$ 404,786,400	$ 401,671,715	$ 403,829,205	$ 411,588,028	$ 420,528,020	$ 434,054,599	$ 456,372,244
Business-type activities										
Net investment in capital assets	$ 94,983,309	$ 96,288,053	$ 99,960,794	$ 99,544,466	$ 100,991,443	$ 102,340,588	$ 106,174,191	$ 107,926,811	$ 103,762,241	$ 113,459,625
Restricted for debt service	376,962	349,692	428,646	364,510	26,859	344,421	216,664	195,485	46,350	571,053
Unrestricted	25,861,166	29,434,587	31,346,727	33,860,716	32,720,930	34,165,174	33,592,809	31,920,455	43,785,615	40,240,619
Total business-type net position	$ 121,221,437	$ 126,072,332	$ 131,736,167	$ 133,769,692	$ 133,739,232	$ 136,850,183	$ 139,983,664	$ 140,042,751	$ 147,594,206	$ 154,271,297
Primary government										
Net investment in capital assets	$ 470,912,349	$ 462,889,869	$ 473,546,865	$ 468,858,932	$ 464,160,050	$ 458,096,812	$ 470,841,442	$ 474,249,029	$ 482,916,185	$ 504,720,654
Restricted for debt service	1,266,401	19,006,562	21,471,059	26,875,741	26,093,064	31,820,447	32,701,837	38,498,711	39,634,573	45,443,849
Unrestricted	49,519,794	37,055,822	39,401,074	42,821,419	45,157,833	50,762,129	48,028,413	47,823,031	59,098,047	60,479,038
Total primary government net position	$ 521,698,544	$ 518,952,253	$ 534,418,998	$ 538,556,092	$ 535,410,947	$ 540,679,388	$ 551,571,692	$ 560,570,771	$ 581,648,805	$ 610,643,541

Source: City of Allen Comprehensive Annual Financial Reports

CITY OF ALLEN, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

TABLE 2

	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	$ 20,415,700	$ 16,989,047	$ 18,347,067	$ 22,271,050	$ 24,940,939	$ 24,464,246	$ 25,304,811	$ 28,251,550	$ 26,764,210	$ 21,238,061
Public safety	26,106,950	27,110,778	28,675,146	28,935,911	30,408,487	31,607,444	35,199,937	39,624,788	39,213,768	44,993,635
Public works	16,036,561	16,779,393	17,681,730	17,807,948	18,252,130	18,349,569	19,083,214	20,209,785	24,161,991	27,039,953
Culture and recreation	23,160,807	30,645,922	32,112,451	29,983,224	30,987,689	32,407,934	32,851,598	28,968,534	33,791,438	33,287,645
Community development	2,665,534	2,742,284	2,527,518	2,230,968	2,689,517	2,861,704	3,251,555	3,007,047	3,079,242	3,160,050
Interest on long-term debt	4,860,527	4,715,550	4,539,622	4,067,303	3,955,305	3,921,989	3,356,234	2,980,513	2,920,824	2,888,831
Total governmental activities expenses	93,246,079	98,982,974	103,883,534	105,296,404	111,234,067	113,612,886	119,047,349	123,042,217	129,931,473	132,608,175
Business-type activities:										
Water and sewer	26,344,371	25,638,007	26,359,698	29,160,281	30,081,379	32,304,628	35,604,182	39,527,816	41,134,685	44,511,123
Solid waste	5,111,913	5,411,960	5,429,049	5,495,654	5,383,215	5,560,294	5,870,269	6,078,853	6,223,788	6,248,035
Drainage	895,924	819,947	882,726	910,179	951,973	914,322	1,146,138	1,193,057	1,260,262	1,396,935
Golf Course	2,029,699	1,912,583	1,179,015	2,483,467	2,839,098	2,911,476	3,089,041	3,135,144	3,397,180	3,332,927
Total business-type activities expenses	34,381,907	33,782,497	33,850,488	38,049,581	39,255,665	41,690,720	45,709,630	49,934,870	52,015,915	55,489,020
Total primary government expenses	$ 127,627,986	$ 132,765,471	$ 137,734,022	$ 143,345,985	$ 150,489,732	$ 155,303,606	$ 164,756,979	$ 172,977,087	$ 181,947,388	$ 188,097,195
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	$ 619,950	$ 575,406	$ 712,432	$ 675,196	$ 823,801	$ 705,064	$ 467,786	$ 497,243	$ 525,542	$ 500,122
Public safety	1,464,849	1,521,787	1,577,643	1,541,985	1,568,294	1,647,407	1,801,984	2,712,076	2,171,332	1,954,810
Public works	131,147	117,518	137,357	196,685	154,418	233,808	210,687	293,559	1,333,506	1,485,962
Culture and recreation	4,347,601	7,762,439	8,019,145	8,443,286	8,425,791	9,177,211	10,289,465	8,747,206	9,803,084	9,744,309
Community development	1,498,580	1,394,833	1,265,485	2,220,438	3,103,410	3,021,708	3,216,799	4,266,140	4,025,326	4,798,471
Operating grants and contributions	3,148,752	2,736,094	1,504,355	2,067,482	1,121,356	1,749,567	1,557,260	2,443,054	2,423,768	2,056,001
Capital grants and contributions	21,884,059	5,437,433	26,626,381	14,737,780	9,571,206	10,552,610	16,039,869	15,327,094	18,942,856	19,888,044
Total governmental activities program revenues	33,094,938	19,545,510	39,842,798	29,882,852	24,768,276	27,087,375	33,583,850	34,286,372	39,225,414	40,427,719
Business-type activities:										
Charges for services:										
Water and sewer	25,588,187	30,798,158	28,693,707	30,808,084	28,955,282	34,135,714	36,335,868	37,163,882	42,453,681	43,103,920
Solid waste	5,789,828	6,138,900	6,040,165	6,114,951	6,309,729	6,474,386	6,687,182	6,735,559	6,933,356	7,006,423
Drainage	1,238,278	1,284,058	1,338,680	1,352,671	1,378,662	1,465,044	1,519,405	1,648,681	1,907,407	1,763,694
Golf Course	1,430,861	1,406,555	59,054	1,924,706	2,537,564	2,361,384	2,705,799	2,959,361	2,810,424	3,138,144
Operating grants and contributions	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-
Capital grants and contributions	5,142,221	2,749,029	7,151,043	3,788,300	3,685,960	4,416,642	6,172,301	5,622,911	9,734,528	10,175,397
Total business-type activities program revenues	39,189,375	43,376,700	44,282,649	44,988,712	43,867,197	49,853,170	53,420,555	54,130,394	63,839,396	65,187,578
Total primary government program revenues	$ 72,284,313	$ 62,922,210	$ 84,125,447	$ 74,871,564	$ 68,635,473	$ 76,940,545	$ 87,004,405	$ 88,416,766	$ 103,064,810	$ 105,615,297

(continued)

CITY OF ALLEN, TEXAS **TABLE 2**
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)
(Accrual Basis of Accounting)
(Unaudited)

Net (Expenses) Revenue										
Governmental activities	$ (60,151,141)	$ (79,437,464)	$ (64,040,736)	$ (75,413,552)	$ (86,465,791)	$ (86,525,511)	$ (85,463,499)	$ (88,755,845)	$ (90,706,059)	$ (92,180,456)
Business-type activities	4,807,468	9,594,203	10,432,161	6,939,131	4,611,532	8,162,450	7,710,925	4,195,524	11,823,481	9,698,558
Total primary government net expenses	$ (55,343,673)	$ (69,843,261)	$ (53,608,575)	$ (68,474,421)	$ (81,854,259)	$ (78,363,061)	$ (77,752,574)	$ (84,560,321)	$ (78,882,578)	$ (82,481,898)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	$ 40,757,240	$ 41,111,106	$ 42,042,753	$ 44,474,745	$ 46,232,565	$ 50,143,986	$ 54,102,952	$ 58,816,876	$ 63,929,379	$ 68,865,078
Sales taxes	12,461,268	13,907,095	15,038,519	16,289,761	18,004,636	18,141,683	19,274,983	19,450,088	20,717,505	21,648,401
Franchise taxes	6,091,857	6,421,059	6,150,419	6,302,018	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093
Hotel / Motel taxes	805,185	1,113,312	1,229,996	1,350,286	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,759,159
Other taxes	2,128,167	1,886,665	1,622,633	1,389,503	2,151,232	1,851,397	1,621,012	1,912,559	1,704,227	2,204,220
Investment earnings	1,154,160	644,169	538,863	177,495	416,828	689,736	735,832	837,577	944,196	4,048,112
Gain on disposition of capital assets	103,095	233,783	40,509	92,401	-	-	-	263,627	446,117	-
Miscellaneous	1,312,462	1,451,743	1,802,747	2,079,082	2,445,491	2,650,103	3,794,277	2,703,964	3,592,229	3,460,124
Transfers	5,142,361	5,071,346	5,377,207	5,361,830	5,627,137	6,249,489	4,790,072	4,610,889	4,398,244	4,702,914
Total governmental activities	69,955,795	71,840,278	73,843,646	77,517,121	83,351,106	88,683,001	93,222,322	97,695,837	105,209,055	114,498,101
Business-type activities:										
Investment earnings	338,849	184,709	197,613	70,382	134,988	194,051	197,125	199,508	210,045	1,284,728
Gain on disposition of capital assets	-	-	-	-	-	-	15,503	-	13,228	-
Miscellaneous	408,104	143,329	411,268	385,842	850,157	1,003,939	-	274,944	21,030	396,719
Transfers	(5,142,361)	(5,071,346)	(5,377,207)	(5,361,830)	(5,627,137)	(6,249,489)	(4,790,072)	(4,610,889)	(4,398,244)	(4,702,914)
Total business-type activities	(4,395,408)	(4,743,308)	(4,768,326)	(4,905,606)	(4,641,992)	(5,051,499)	(4,577,444)	(4,136,437)	(4,153,941)	(3,021,467)
Total primary government	$ 65,560,387	$ 67,096,970	$ 69,075,320	$ 72,611,515	$ 78,709,114	$ 83,631,502	$ 88,644,878	$ 93,559,400	$ 101,055,114	$ 111,476,634
Change in Net Position										
Governmental activities	$ 9,804,654	$ (7,597,186)	$ 9,802,910	$ 2,103,569	$ (3,114,685)	$ 2,157,490	$ 7,758,823	$ 8,939,992	$ 14,502,996	$ 22,317,645
Business-type activities	412,060	4,850,895	5,663,835	2,033,525	(30,460)	3,110,951	3,133,481	59,087	7,669,540	6,677,091
Total primary government	$ 10,216,714	$ (2,746,291)	$ 15,466,745	$ 4,137,094	$ (3,145,145)	$ 5,268,441	$ 10,892,304	$ 8,999,079	$ 22,172,536	$ 28,994,736

Source: City of Allen Comprehensive Annual Financial Reports

CITY OF ALLEN, TEXAS **TABLE 3**
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	$ 862	$ 156	$ 2,081	$ 2,098	$ 4,767	$ 1,486	$ 2,129	$ 126,833	$ 25,747	$ 209,323
Restricted	-	55,898	513,801	726,953	752,238	779,185	907,908	58,910	59,386	61,304
Assigned	-	1,402	133,478	851,564	748,200	921,030	-	2,000,000	-	-
Unassigned	15,187,065	15,349,834	15,857,642	14,672,989	17,368,187	18,407,873	20,911,943	19,684,053	23,626,108	25,744,069
Total General Fund	$15,187,927	$15,407,290	$16,507,002	$16,253,604	$18,873,392	$ 20,109,574	$ 21,821,980	$ 21,869,796	$ 23,711,241	$ 26,014,696
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 751
Restriced	39,138,691	31,131,674	26,297,587	34,132,037	42,149,113	51,398,430	46,610,702	57,540,668	27,922,044	31,444,917
Assigned	-	-	-	-	-	-	-	-	28,349,191	32,023,933
Unassigned (deficit)	-	-	-	-	-	-	-	-	(4,428)	-
Total all other governmental funds	$39,138,691	$31,131,674	$26,297,587	$34,132,037	$42,149,113	$ 51,398,430	$ 46,610,702	$ 57,540,668	$ 56,266,807	$ 63,469,601

Source: City of Allen Comprehensive Annual Financial Reports

CITY OF ALLEN, TEXAS **TABLE 4**
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Ad valorem taxes	$ 40,555,218	$41,167,524	$42,045,252	$44,725,261	$46,142,222	$ 50,177,840	$ 54,104,132	$ 58,875,936	$ 63,775,055	$ 68,884,826
Franchise taxes	6,091,857	6,421,059	6,150,419	6,302,018	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093
Municipal sales tax	12,461,268	13,907,095	15,038,519	16,289,761	18,004,636	18,141,683	19,274,983	19,450,088	20,717,504	21,648,401
Licenses, permits and fees	1,120,401	1,270,493	1,215,677	2,294,955	2,915,533	3,134,551	3,064,580	4,450,639	4,494,361	5,279,425
Charges for services	5,790,716	9,234,618	10,051,684	10,623,970	10,580,553	11,734,344	13,002,770	11,664,328	13,442,785	13,586,474
Fines	2,134,324	1,886,665	1,648,194	1,402,725	2,160,168	1,805,230	1,579,628	1,851,735	1,710,354	2,214,571
Gifts and contributions	609,522	986,125	1,443,766	1,322,228	819,408	1,012,103	832,211	712,437	852,322	1,585,613
Hotel / motel fees	805,185	1,113,312	1,229,996	1,350,286	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,758,858
Intergovernmental	5,528,449	3,795,087	4,637,343	5,267,026	1,704,404	3,570,737	2,645,089	1,927,567	3,555,241	1,258,398
Investment earnings	985,219	547,525	440,065	144,604	344,386	577,014	627,760	643,928	851,954	3,280,340
Miscellaneous	5,199,090	1,939,352	2,241,166	2,671,410	3,394,197	3,420,441	3,711,870	3,428,366	3,276,677	3,106,994
Total revenues	81,281,249	82,268,855	86,142,081	92,394,244	94,538,724	102,530,550	107,746,217	112,105,281	122,153,411	130,413,993
EXPENDITURES										
General government	19,656,265	16,502,188	17,145,603	21,785,677	23,544,055	23,996,598	24,101,637	27,182,391	26,141,256	19,902,542
Public safety	24,994,107	26,089,579	27,291,201	28,317,603	29,214,552	30,731,310	32,966,265	37,294,550	38,524,578	43,283,984
Public works	5,186,355	3,856,373	4,104,118	4,055,500	4,077,961	4,888,798	4,865,431	5,428,996	8,899,247	11,194,393
Culture and recreation	14,581,130	21,785,214	22,460,071	20,864,140	21,435,581	22,540,516	24,287,382	23,745,884	29,714,212	30,044,660
Community development	2,584,454	2,549,235	2,406,485	2,211,253	2,631,289	2,880,880	2,833,011	2,951,864	3,076,260	3,161,679
Capital outlay	34,219,102	17,398,837	7,972,159	6,123,786	6,573,002	6,555,445	15,408,293	7,053,863	13,114,988	11,921,047
Debt service										
Principal retirement	5,995,000	6,930,000	7,634,130	7,964,914	8,364,986	9,322,537	9,135,000	10,445,000	11,181,377	11,382,162
Interest and fiscal charges	4,710,336	4,775,982	4,562,965	3,955,639	3,882,394	3,931,548	3,801,812	3,378,943	3,461,414	3,407,768
Total expenditures	111,926,749	99,887,408	93,576,732	95,278,512	99,723,820	104,847,632	117,398,831	117,481,491	134,113,332	134,298,235
Excess (deficiency) of revenues over (under) expenditures	(30,645,500)	(17,618,553)	(7,434,651)	(2,884,268)	(5,185,096)	(2,317,082)	(9,652,614)	(5,376,210)	(11,959,921)	(3,884,242)
OTHER FINANCING SOURCES (USES)										
Refunding bonds issued	-	12,625,000	13,940,000	-	-	32,245,000	6,910,000	-		1,660,000
Premium on bonds issued	150,733	667,702	2,296,042	350,071	432,879	3,772,133	1,039,610	955,225	978,386	9,570,000
Issuance of debt	12,000,000	5,000,000	-	5,065,000	10,595,000	-	1,940,000	11,845,000	8,355,000	894,793
Capital lease obligations	-	-	29,905	-	-	-	1,700,000	-	75,622	(1,675,000)
Payment to refund bond escrow agent	-	(12,998,419)	(16,050,003)	-	-	(28,097,931)	(7,789,058)	-	-	33,908
Transfer in	10,136,842	6,849,982	7,074,436	9,598,187	9,257,105	9,711,565	9,137,082	9,805,859	9,682,182	11,412,228
Transfer out	(5,285,873)	(2,336,625)	(3,599,726)	(4,571,226)	(4,484,282)	(4,847,771)	(6,384,490)	(6,295,989)	(6,639,012)	(8,554,069)
Proceeds from sale of capital assets	98,192	23,259	9,622	23,288	21,258	19,585	24,148	43,897	85,327	38,631
Total other financing sources	17,099,894	9,830,899	3,700,276	10,465,320	15,821,960	12,802,581	6,577,292	16,353,992	12,537,505	13,380,491
NET CHANGE IN FUND BALANCES	$(13,545,606)	$ (7,787,654)	$ (3,734,375)	$ 7,581,052	$10,636,864	$ 10,485,499	$ (3,075,322)	$ 10,977,782	$ 577,584	$ 9,496,249
Debt service as a percentage of noncapital expenditures	13.8%	14.2%	14.3%	13.4%	13.2%	13.6%	12.7%	12.5%	12.1%	12.1%

Source: City of Allen Comprehensive Annual Financial Reports

CITY OF ALLEN, TEXAS **TABLE 5**
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended September 30,	Estimated Market Value: Real Property	Estimated Market Value: Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	$ 7,546,057,552	$ 627,120,557	$ 855,810,360	$ 7,317,367,749	0.55500
2011	7,592,460,367	673,537,481	876,322,043	7,389,675,805	0.55400
2012	7,721,491,897	496,008,713	615,320,140	7,602,180,470	0.55300
2013	7,810,983,131	833,800,673	643,485,592	8,001,298,212	0.55200
2014	8,197,352,931	789,414,854	613,723,945	8,373,043,840	0.55000
2015	9,347,795,862	885,946,440	1,071,401,599	9,162,340,703	0.54000
2016	10,892,510,607	949,453,680	1,665,547,504	10,176,416,783	0.53000
2017	12,247,829,044	1,019,719,862	1,799,062,766	11,468,486,140	0.52000
2018	13,546,087,428	1,031,270,509	1,878,212,643	12,699,145,294	0.51000
2019	14,696,634,742	1,158,167,450	1,903,666,393	13,951,135,799	0.49800

Sources: City of Allen Budget Documents
Collin Central Appraisal District

CITY OF ALLEN, TEXAS **TABLE 6**
DIRECT AND OVERLAPPING PROPERTY TAX RATES (PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
(Uaudited)

	City Direct Rates			Overlapping Rates					
Fiscal Year Ended September 30,	Operating/ General Rate	General Obligation Debt Service	Total Direct	Allen Independent School District	Plano Independent School District	McKinney Independent School District	Love Joy Independent School District	Collin County	Collin County Community College District
2010	0.41075	0.14425	0.55500	1.54000	1.32840	1.54000	1.53500	0.24250	0.08630
2011	0.40908	0.14492	0.55400	1.54000	1.35340	1.52800	1.53500	0.24000	0.08630
2012	0.40533	0.14767	0.55300	1.67000	1.37340	1.54000	1.53500	0.24000	0.08630
2013	0.40506	0.14694	0.55200	1.67000	1.37340	1.54000	1.53500	0.24000	0.08630
2014	0.40912	0.14088	0.55000	1.67000	1.45300	1.67000	1.53500	0.23750	0.08364
2015	0.39836	0.14164	0.54000	1.64000	1.44800	1.67000	1.56000	0.23500	0.08196
2016	0.40627	0.12373	0.53000	1.61000	1.43900	1.67000	1.56000	0.22500	0.08196
2017	0.39627	0.12373	0.52000	1.59000	1.43900	1.62000	1.67000	0.20840	0.08122
2018	0.39274	0.11726	0.51000	1.57000	1.43900	1.62000	1.67000	0.19225	0.07981
2019	0.39346	0.10454	0.49800	1.55000	1.43900	1.59000	1.67000	0.18079	0.08122

Source: Collin Central Appraisal District

CITY OF ALLEN, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

TABLE 7

2019			2010		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[b]
VAA Improvements LLC	$ 160,963,346	1.15%	Coventry II DDR/Trademark Montgomery Farm	$ 133,138,544	1.82%
AT&T Mobility LLC	160,243,944	1.15%	Village At Allen LP	105,131,593	1.44%
Watters Creek Owner LLC	125,111,460	0.90%	AT&T Mobility LLC	86,924,025	1.19%
Allen Premium Outlets LP	107,764,510	0.77%	Chelsea Allen Development LP	70,000,000	0.96%
Cisco Systems Inc	86,873,456	0.62%	Oncor Electric Delivery Company	35,206,362	0.48%
Creekside Acquisition LP	66,500,000	0.48%	Lexington Allen LP	34,429,245	0.47%
Benton Pointe LP	63,700,000	0.46%	TC Village Inc	30,660,534	0.42%
Settler's Gate Apartments LP	63,100,000	0.45%	BH Settler's Gate Apartments LP	30,500,000	0.42%
AT&T Services Inc	62,440,495	0.45%	BH Benton Pointe Apartments LLC	29,561,441	0.40%
Twin Creeks Crossing LP	48,600,000	0.35%	Worthing Allen Station LP	25,700,000	0.35%
Total	$ 945,297,211	6.78%	Total	$ 581,251,744	7.95%
Total Assessed Valuation	$ 13,951,135,799	100.00%	Total Assessed Valuation	$ 7,317,367,749	100.00%

Source: Collin Central Appraisal District

Notes: [a]Taxpayers are assessed on January 1, 2018 (2018 tax year) for the 2019 fiscal year.

[b]Taxpayers are assessed on January 1, 2009 (2009 tax year) for the 2010 fiscal year.

CITY OF ALLEN, TEXAS **TABLE 8**
AD VALOREM TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	$ 40,506,583	$ 40,162,971	99.15 %	$ 321,544	$ 40,484,515	99.95 %
2011	41,262,761	41,006,394	99.38 %	224,883	41,231,278	99.92 %
2012	42,945,211	41,817,303	97.37 %	514,069	42,331,373	98.57 %
2013	44,390,125	44,005,302	99.13 %	356,575	44,361,877	99.94 %
2014	46,466,114	45,924,321	98.83 %	490,249	46,414,570	99.89 %
2015	49,958,933	49,472,535	99.03 %	422,874	49,895,408	99.87 %
2016	54,342,759	53,821,573	99.04 %	442,503	54,264,076	99.86 %
2017	58,617,868	58,282,589	99.43 %	248,613	58,531,202	99.85 %
2018	63,184,129	62,950,713	99.63 %	115,403	63,066,116	99.81 %
2019	67,684,728	67,511,154	99.74 %	-	67,511,154	99.74 %

Source: Collin County Tax Assessor

CITY OF ALLEN, TEXAS **TABLE 9**
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

	Governmental Activities				Business-Type Activities				
Fiscal Year Ended September 30,	General Obligation Bonds	Certificates of Obligation	Tax Notes	Other Obligations	Water and Sewer Revenue Bonds	Other Obligations	Total Primary Government	Percentage of Personal Income[a]	Per Capita[a]
2010	$105,550,000	$4,685,000	$ -	$ 1,053,242	$ 12,960,000	$ 6,179	$124,254,421	4.24%	1,456
2011	104,330,000	4,455,000	-	914,918	11,770,000	(34,414)	121,435,504	4.01%	1,402
2012	99,365,000	1,060,000	-	1,957,998	10,535,000	(74,053)	112,843,945	3.42%	1,281
2013	96,735,000	800,000	-	2,433,439	9,370,000	456,061	109,794,500	2.96%	1,224
2014	99,245,000	530,000	-	4,615,649	8,015,000	691,493	113,097,142	3.19%	1,241
2015	95,690,000	490,000	-	7,258,749	6,735,000	596,700	110,770,449	2.81%	1,188
2016	93,920,844	450,000	1,940,000	1,700,000	5,760,000	448,387	104,219,231	2.73%	1,102
2017	96,184,995	405,000	1,255,000	1,250,000	4,760,000	282,326	104,137,321	2.60%	1,043
2018	94,460,400	-	635,000	864,245	13,850,800	719,391	110,529,836	2.34%	1,077
2019	91,466,739	-	2,600,000	85,991	16,637,388	569,182	111,359,300	2.37%	1,039

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[a]See Table 13 for personal income and population data.

CITY OF ALLEN, TEXAS **TABLE 10**
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended September 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2010	$ 105,550,000	$ 4,685,000	$ -	$ 110,235,000	1.51%	$ 1,292
2011	104,330,000	4,455,000	-	108,785,000	1.47%	1,256
2012	99,365,000	1,060,000	-	100,425,000	1.32%	1,140
2013	96,735,000	800,000	-	97,535,000	1.22%	1,087
2014	99,245,000	530,000	-	99,775,000	1.19%	1,095
2015	95,690,000	490,000	-	96,180,000	1.05%	1,031
2016	93,920,844	450,000	1,940,000	96,310,844	0.95%	1,018
2017	96,184,995	405,000	1,255,000	97,844,995	0.85%	980
2018	94,460,400	-	635,000	95,095,400	0.75%	927
2019	91,466,739	-	2,600,000	94,066,739	0.67%	878

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
[a]See Table 5 for property value data.
[b]See Table 13 for population data.

CITY OF ALLEN, TEXAS **TABLE 11**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (**a**)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
Allen I.S.D.	$ 605,825,427	90.31%	$ 547,120,943
Plano I.S.D.	855,305,000	0.85%	7,270,093
McKinney I.S.D.	534,395,000	0.14%	748,153
Lovejoy I.S.D.	166,105,234	10.45%	17,357,997
Collin County	392,565,000	10.09%	39,609,809
Collin College	239,445,000	10.09%	24,160,001
Subtotal, overlapping debt			$ 636,266,995
City of Allen direct debt outstanding	$ 86,415,000	100.00%	86,415,000
Total Direct and Overlapping Debt			$ 722,681,995

Source: Taxable value data used to estimated applicable percentages provided by Collin Central Appraisal District. Net Bonded Debt Outstanding and Percentage of debt obtained from the Texas Municipal Report ("TMR") that was prepared by the Municipal Advisory Council of Texas ("MAC").

Notes: (**a**) The percentage of applicable overlapping debt is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City of Allen's boundaries and dividing it by the county's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

CITY OF ALLEN, TEXAS
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 12

	Water and Sewer System Revenue Bonds				
Fiscal Year Ended September 30,	Total Revenues[a]	Less: Operating Expenses[b]	Net Available Revenue	Annual Requirement[c]	Times Coverage
2010	28,773,833	20,620,871	8,152,962	1,698,662	4.80
2011	32,088,556	19,752,880	12,335,676	1,703,356	7.24
2012	30,218,985	20,244,240	9,974,745	1,702,074	5.86
2013	32,199,528	23,061,918	9,137,610	1,588,049	5.75
2014	30,887,999	23,754,848	7,133,151	1,585,519	4.50
2015	36,275,063	26,397,770	9,877,293	1,513,860	6.52
2016	36,509,983	29,287,984	7,221,999	1,173,576	6.15
2017	37,609,746	33,023,729	4,586,017	1,169,082	3.92
2018	42,629,369	34,843,950	7,785,419	1,181,675	6.59
2019	44,571,666	38,156,431	6,415,235	1,501,610	4.27

Notes:

[a]As of 2009, Development fees are no longer included as part of the non-operating revenues and therefore are not included in the times coverage calculation.

[b]Includes operating expenses minus depreciation.

[c]Includes Principal and Interest.

CITY OF ALLEN, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 13

Fiscal Year Ended September 30,	Estimated Population[a]	Personal Income	Per Capita Personal Income[b]	School Enrollment[c]	Unemployment Rate[d]
2010	85,315	$ 2,930,399,620	$ 34,348	18,715	6.7%
2011	86,633	3,030,508,973	34,981	19,387	7.2%
2012	88,103	3,298,664,423	37,441	19,765	5.4%
2013	89,705	3,709,032,635	41,347	20,295	5.2%
2014	91,157	3,542,543,334	38,862	20,503	4.4%
2015	93,261	3,940,277,250	42,250	20,755	3.2%
2016	94,576	3,823,896,832	40,432	20,973	3.6%
2017	99,852	4,007,759,724	40,137	21,054	3.1%
2018	102,632	4,715,221,976	45,943	21,567	3.2%
2019	107,151	4,694,285,310	43,810	21,791	2.8%

Sources: [a]Estimated population provided by the City of Allen.

[b]Estimated Per Capita Income provided by U.S. Census Bureau based on current income trends within the area.

[c]Allen Independent School District.

[d]Texas Workforce Commission.

CITY OF ALLEN, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

TABLE 14

2019			2010		
Employer	Total Employees	Percentage of Total City Employment	Employer	Total Employees	Percentage of Total City Employment
Allen Independent School District	2,875	8.21%	Allen Independent School District	2,402	9.54%
Experian Information Solutions	800	2.29%	Presbyterian Hospital	950	3.77%
City of Allen	839	2.40%	City of Allen	820	3.26%
Jack Henry & Associates	662	1.89%	Experian	594	2.36%
Frontier Communications	630	1.80%	Jack Henry & Associates	398	1.58%
Netscout	450	1.29%	Sanmina SCI	220	0.87%
Andrew's Distributing	489	1.40%	State Farm	190	0.75%
Texas Health Presbyterian Hospital	384	1.10%	Quest Medical	159	0.63%
PFS Web Inc	347	0.99%	Amphenol Fiber Systems International	138	0.55%
WatchGuard Video	323	0.92%	Photronics	130	0.52%
Total	7,799	22.28%	Total	6,001	23.84%
Total Allen Daytime Employees	35,007		Total Allen Daytime Employees	25,171	

Source: Top ten employers and employee count provided by Allen Economic Development Corporation.

CITY OF ALLEN, TEXAS **TABLE 15**
FULL–TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION & PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government and Administration	55.50	56.00	57.50	62.00	64.00	67.00	70.50	72.50	75.50	77.00
Public Safety	255.00	257.50	276.50	284.50	286.00	295.00	299.00	299.00	305.00	316.00
Public Works	52.50	54.00	53.00	53.00	54.50	55.50	59.00	59.00	60.50	62.50
Culture and Recreational	213.87	215.36	214.86	214.50	212.27	215.71	221.31	221.31	226.32	228.32
Water and Sewer	60.50	63.50	63.50	66.50	68.00	69.00	70.00	74.00	76.50	79.00
Golf Course	34.08	32.49	23.63	32.54	32.54	33.64	33.64	33.64	33.64	33.64
Community Development	29.00	28.00	28.00	26.00	27.00	27.50	28.50	27.50	30.50	32.00
Risk Management	2.00	2.00	2.00	3.00	4.00	4.00	4.00	4.00	4.00	3.50
Economic Development	4.25	4.25	4.25	4.25	6.25	7.00	7.00	7.00	7.00	7.50
Total	706.70	713.10	723.24	746.29	754.56	774.35	792.95	797.95	818.96	839.46

Source: City of Allen's Annual Official Budgets

CITY OF ALLEN, TEXAS **TABLE 16**
OPERATING INDICATORS BY FUNCTION & PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Number of Employees	157	160	172	174	175	183	185	185	189	199
Number of Violations (Citations)	17,504	17,925	13,812	13,902	19,943	14,000	13,645	18,778	17,025	21,060
Fire										
Number of Employees	98	98	104	110	111	112	114	114	116	117
Number of Fire/Other runs	1,362	1,468	1,325	1,377	1,541	1,622	1,822	1,886	1,896	1,899
Number of EMS runs	2,885	3,155	3,193	3,613	3,703	3,812	4,162	4,210	4,667	4,898
Development Services										
Streets paved (miles)	4	3	4	1	4	1	5	5	6	2
Building Permits Issued[a]	4,689	4,993	5,192	6,013	9,538	7,549	7,022	7,116	7,126	9,414
Cultural and Recreational										
Parks and Recreation										
Park maintained & operated per acre	$ 4,887	$ 5,393	$ 5,117	$ 3,827	$ 4,022	$ 4,083	$ 4,092	$ 4,668	$ 4,675	$ 3,679
Participants in Leisure Service Programs	581,535	624,643	683,645	666,452	646,719	568,503	638,367	911,064	955,441	1,002,717
Rounds of Golf[c]	37,857	38,775	0	33,615	45,546	39,723	44,478	47,010	44,163	49,293
Library										
Volumes in Collection[b]	127,665	122,522	124,471	124,226	128,501	132,380	138,041	141,774	139,605	146,699
Water and Sewer										
Number of Water Consumers	27,094	27,495	27,974	28,669	29,124	29,750	30,332	30,920	31,391	31,922
Average Daily Water Consumption (gallons)	14,542,980	17,115,783	14,336,000	14,479,000	11,863,621	13,284,000	14,472,000	15,107,156	15,926,000	15,454,057
Maximum Storage Capacity (million of gallons)	31.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Sanitation										
Recyclables Collected (tons)	9,374	9,307	9,517	9,667	9,920	10,015	10,108	10,578	10,723	10,073
Solid Waste Collected (tons)	53,660	56,233	53,960	53,445	55,142	59,591	62,009	63,712	66,333	65,242

Source: City of Allen Departments

Notes: [a]Includes residential, commercial, and miscellaneous permits (e.g. for pools, fences, and roof repairs).

[b]Includes books and media.

[c] The Golf Course was closed for renovations during fiscal 2012 and was re-opened in January 2013.

CITY OF ALLEN, TEXAS **TABLE 17**
CAPITAL ASSET STATISTICS BY FUNCTION & PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	23	23	27	27	27	27	28	31	31	31
Fire Stations	4	4	5	5	5	5	5	5	5	5
Police Motorcycle Units	4	4	4	4	4	4	4	4	4	4
Development Services										
Streets-Paved (miles)	318	321	325	326	330	331	336	341	347	349
Alleys-Paved (miles)	163	163	163	163	165	166	167	168	169	169
Cultural and Recreational										
Parks (acres)	576	576	597	597	599	599	607	614	689	691
Playgrounds	32	32	32	32	32	32	32	32	32	32
Swimming Pools (outdoor)	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	5	5	5	5	5	5	5	5	5
Natatorium	1	1	1	1	1	1	1	1	1	1
Visitor (Youth) Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Event Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	452	456	461	467	471	474	481	494	506	515
Fire Hydrants	3,981	4,022	4,144	4,210	4,329	4,398	4,560	4,675	4,982	4,934
Sanitary Sewers (miles)	339	342	346	352	354	356	361	370	379	386
Storm Sewer Lines (miles)	105	106	107	108	109	110	112	117	123	129

Source: City Of Allen Departments